

Dictatorship by Degrees



Xi Jinping in China

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To the memory of Clifford Geertz

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Preface

On February 25, 1956, Nikita Khrushchev, First Secretary of the Communist Party of the Soviet Union, gave a famous speech to a secret session of the Twentieth Congress of the Soviet Communist Party, titled “On the Cult of Personality and Its Consequences.” In it, he condemned the reign of the recently deceased Josef Stalin as murderous and immoral. The shocked audience was informed that, despite being told for over two decades that Stalin was a “universal genius,” uniquely qualified to implement the Marxian program, he was in fact “criminally insane.”¹ This started a de-Stalinization effort that was the beginning of the end of communism in the Soviet Union finally realized some three decades later.

The reaction of Chairman of the Communist Party of China Mao Zedong to the secret speech was indignant and critical. His fears may have contributed to the Cultural Revolution a decade later, as Mao tried to plant his vision for communism so deep in the Chinese psyche and political culture that it could never be removed.² Mao was not successful, and within two years of his death, Deng Xiaoping began reversing much of what Mao had tried to create, although to win support had to dress his program in the language of Maoism. Shocked by Mao’s destructive reign, the Chinese Communist Party (CCP) tried to institutionalize procedures to prevent so much power from ever again ending up in the hands of a single individual.³ Yet here we are today, with Xi Jinping’s consolidation of power resembling that of Mao.

In any case, the CCP never condemned their master. They realized that their future was too closely tied to Mao’s past for them to attack him without destroying themselves. But without fully reviewing their past, especially the more violent episodes, of which there are many, they left the door open to repeat it, or parts of it, in displaced and distorted forms. It was with reference to this troubled history that I undertook a study of the Chinese political system, seeking to contribute to our understanding of how the thread of the past runs through the present in the governance of China.

Dictatorship by Degrees: Xi Jinping in China is an ethnographic description and interpretation of the Chinese political system based on data collected over a year of full-time fieldwork carried out from June 2015 to July 2016, when I was at Peking University. The bulk of the data was collected in Beijing, with important side trips to Hong Kong and Singapore. Seventy-five percent of the data comes from semi-structured inter-

views with business executives, professors (management, law, and the social sciences), lawyers, journalists, and nonprofit executives. Twenty-five percent of the data was collected from observation and participation in everyday life.

Several key empirical themes emerged from the fieldwork. First, the Communist Party is increasing Party control over its own members, the government, state-owned enterprises (SOEs), and society. This increased control was implemented across the board, including anti-corruption programs, Internet and other censorship, control over education, repression of protest, double-talk on the rule of law, an increasing role for politics in society, and so on. In this study I describe and interpret the level of social control exercised by the party-state, in other words, I characterize the distribution of freedom in state-society relations.

Second, the highly secretive Communist Party is structured internally by factions and conflict between factions. Before, during, and after the ascension of the Xi regime, members of the Red Faction (also called the Party of Princes) moved into a large number of key Party, government, and military positions. These assignments dovetailed with the Anti-Corruption Campaign that removed others from key positions. With this study, I hope to contribute new insights to the literature on Chinese factions by analyzing the relationships between factions and the Anti-Corruption Campaign and the role of the Red Faction in Communist Party's political culture.

Third, perhaps the most important empirical theme discussed in multiple places throughout this book is the relationships between censorship, memory, and power. The high level of Communist Party censorship is well known. This work contributes to this literature by an examination of how censorship works through memory to affect political factors such as cognition, legitimacy, and obedience. Special attention is given to the role of trauma in Chinese history under the Communists and how trauma affects memory.⁴ I examine relationships between censorship, self-censorship, and political order. I argue that trauma, working through memory and the repression of memory, is a central aspect of contemporary Chinese political culture and Communist Party domination.

I develop the original concept of *pre-totalitarianism* to organize and analyze the data contained in these three empirical themes and numerous others. I define pre-totalitarianism as a dictatorship in which distinct totalitarian patterns of control are dormant or exist in a fragmented or low intensity condition. This concept builds on Hannah Arendt's theory of totalitarianism that uses the word *pre-totalitarianism* descriptively for the period before totalitarianism proper takes hold, but Arendt does not develop it into a concept.⁵ It also builds on Juan J. Linz's work on the difference between authoritarian and totalitarian regimes.⁶ Linz, however, focuses primarily on *post*-totalitarian developments. My work takes up the issues involved in potentially moving *back* to totalitarian control,

and not to the post-totalitarian options of dictatorship, authoritarianism, or democracy.

These terms are discussed in detail in chapter 1. I define *totalitarianism* as essentially a system of control over the minds of citizens; *dictatorship* as arbitrary decision-making independent of the rule of law by a leader or leaders; *authoritarianism* as covering a wide range of regimes in which some level of the rule of law is followed, but otherwise the executive faces a weak separation of powers; and *democracy* as a system in which the rule of law, separation of powers, and elections are essential to the exercise of power.

Specifically, I argue that totalitarianism is not an all or nothing phenomenon. There can be aspects or elements of totalitarianism in dictatorships that have not developed into totalitarian regimes. In this context, I argue, Chinese communism has always had a significant totalitarian element in its categorical killing and strong commitment to ideology and mass organization. It did not develop fully into a totalitarian regime until the Cultural Revolution, when the attribution of omnipotence to Mao, and Mao's call to youth, gave him the power to implement a broad-ranging terror campaign. This campaign destroyed the Communist Party organizational structure, institutional processes, and personnel, replacing them with a continuously changing stream of ideas, schemes, and people that made possible movement toward the creation of a fictional world.

I argue that there are signs of pre-totalitarianism in Xi Jinping's leadership, in the increasing role of ideology, increasing intolerance of dissent, extralegal Anti-Corruption Campaign, support for a cult of personality, and assignment of "supreme theorist" status to Xi. Even stronger evidence can be seen in the existence of concentration camps in Xinjiang province, whose purpose is to "wipe out Xinjiang's Muslim heritage and assimilate its people."⁷ Throughout *Dictatorship by Degrees*, these and other data points are examined from the pre-totalitarian perspective in order to determine how, and in what ways, totalitarian controls emerge or re-emerge in dictatorial political systems.

This research makes two central contributions. First, data collection was carried out full-time for a little over a year, resulting in over 2,000 pages of field notes. I was able to deepen the data through the utilization of anthropological methods, repeatedly investigating emerging themes and participating in developing social situations. As a professor of management, I had significant access to business executives, professors, lawyers, journalists, and nonprofit executives. These groups represent the business and professional classes involved in the state-society interface. The data thus provides an important view of political order and political activity from the perspective of these groups that interact with and observe the government, often at close quarters. The fact that five different professional groups were included makes it possible to contrast and compare perspectives, and thus carry out a more robust empirical analysis.

Second, the development of the concept of *pre-totalitarianism* offers a new perspective. The literature often refers to China as post-totalitarian or neo-totalitarian.⁸ My data, the literature review, and other parts of my theoretical framework, however, show that the traumatic nature of the Mao-era political experience leaves open the possibility that China could return to a totalitarian political order. For one thing, many people currently in leadership positions suffered during the Cultural Revolution; for another, past suffering in the population as a whole is generally repressed, distorted, and/or manipulated. These memories of trauma have not disappeared and will likely return in one displaced form or another.

The concept of *pre-totalitarianism* makes possible the evaluation of current political action, experience, and trends for their totalitarian elements. To what extent are totalitarian elements in the current dictatorship dormant, managed, or emerging? In *Dictatorship by Degrees*, I explore this question through a rich empirical database and a theoretical framework that focus on the central role of memory in human social life. Given the Communist Party's core efforts to "repress" and/or falsify information and memory in the population's experience, a study of political awareness in the Chinese population contributes to our understanding of the management of totalitarian experience in "post-totalitarian" dictatorial regimes: In particular, what forms do repressed totalitarian experiences take as they reemerge over time?

DESCRIPTION OF CHAPTERS

Chapter 1: Pre-Totalitarianism: Gateway to the Supersense

I review Hannah Arendt's theory of totalitarianism and develop a stage theory of totalitarianism, demarcating a pre-totalitarian period from which totalitarianism may develop. This framework is used throughout the book to investigate the political system in China with a central emphasis on censorship, indoctrination, memory, and trauma.

Chapter 2: The Chinese Political System: A Literature Review

I review the literature on the Chinese political system, briefly covering the dynastic system, the Communist Revolution, the Mao era, the reform era, and the current political order. Central communist political innovations—mass mobilization, campaigns, and ideological indoctrination, for example—are covered along with continuity between the dynastic (Confucian) system and the communist system. I conclude the merger of the communist and Confucian political cultures is a key factor in the distinctiveness of the contemporary Chinese political system.

Chapter 3: Patterns in Chinese Politics

This is the first of the empirically based chapters.⁹ I analyze key patterns in the Chinese political system as they were discovered in the field data: the “requirement” of authoritarianism and the ambivalence toward democracy. I analyze the historical, cultural, and political reasons for these value patterns.

Chapter 4: Management and Governance

I discuss key elements in the Communist Party’s political organization, including policy-making, intentional ambiguity, parentalism, and dictatorship. Two aspects of Communist Party governance practices receive special attention: the government/party double structure that monitors and controls the whole society and the recruitment of new cadre from towns and rural areas to counterbalance the rapid cultural change taking place among east coast middle and upper classes. The often-noted adaptability of the Communist Party is shown to be under severe strain.

Chapter 5: Censorship

Censorship is a core element in the Communist Party’s structure of control and a defining feature of the nature of Chinese society. Despite the Internet, international travel, and globalization, the Communist Party has been able to maintain a significant censorship regimen because censorship is seen as being less about the control of information and more about its effect on memory and cognition. I review the system of censorship, examine its effect on the population’s attitude toward information, and explore the role of fear in the workings of memory and cognition.

Chapter 6: Vicissitudes in Dictatorial Control

I examine the Communist Party’s claim that the Chinese political economy is “socialism with Chinese characteristics.” Despite many socialist structures such as a dominant state-owned sector of the economy, the functioning of state control has significant Party-specific goals and benefits. Indeed, the “state-owned” sector supports Party power and is the source of private wealth for the Party elite. In this sense, the Chinese state is as much a self-interested dictatorship as it is socialist. In this context, I explain the central Chinese political value of “stability,” the high number of public protests, and the economically and psychologically complex nature of political experiences.

Chapter 7: Political Change

The four keys to political change are the Communist Party, the lower classes, generational change, and the middle class. My analysis disagrees with those writers who argue that the middle class will lead political change: I found that the middle class has too much to lose, wedged between a predatory and co-optative Communist Party and a not-so-happy mass of people below them whom they fear even more than those above. Younger generations, because of access to new information, education acquired abroad, and international travel, are often seen as a force for political change; however, they face significant social and psychological constraints, as well as an increasingly powerful state.

Chapter 8: Mao and the Cultural Revolution as Models

Mao's leadership and the Cultural Revolution are momentous experiences in contemporary Chinese history, but the population's understanding of them is problematic. In fact, it is often distorted or avoided altogether. The distortions of recent history by the Communist Party's censorship apparatus have significant implications for Chinese political culture. I create the concept of the *thin line of the present* to explore this phenomenon.

Chapter 9: Factions Today

The struggle for power in China is carried out through a number of factions. The dominant faction in the Communist Party is the Red Families, descendants of the founders of the Communist Revolution. They hold key positions in the Communist Party, government, state-owned enterprise (SOE), and military. Other factions such as the populists struggle to occupy key positions to further their public power, policy agenda, and personal wealth. Nonetheless, Red Families are an embodiment of the strong family, or blood, basis of the Chinese political system, carrying on traditional Confucian and dynastic patterns. Corruption is part of the very nature of this system, as factions are created to use political power to create wealth and to use wealth to create political power.

Chapter 10: Parade, Party, and President Xi

Patterns in Communist Party rule and Xi Jinping's leadership are examined for totalitarian elements in the context of the Communist Party's decline into totalitarian organization under Mao. I find significant risks in the Communist Party's insistence on maintaining mass society with little to no tolerance for independent groups, speech, criticism, and opposing ideas. Fanatical idealism under Mao and endemic corruption during reform are seen as two sides of the same mass-society structure. With Xi

Jinping's fight against corruption utilizing the same totalitarian tools—extralegal campaigns and intensification of indoctrination methods, for example—a decline into totalitarianism is just one mad man away.

Finally, a concluding chapter summarizes the findings from the analysis of Chinese political culture, latent and active totalitarian elements in the culture, the role of memory and trauma in China's vulnerability to an increase in totalitarian methods, and the role of fear in the population's compliance and conformity. I evaluate chances for political change backward to totalitarianism or forward toward freedom. The bottom line is repression that censorship, indoctrination, and trauma make the chances for repetition in one form or another a distinct possibility.

NOTES

1. Francois Furet, *The Passing of an Illusion* (Chicago: University of Chicago Press, 1995).

2. Frank Dikotter, *The Cultural Revolution* (New York: Bloomsbury, 2016).

3. A 2006 propaganda program for Communist Party members only stated "when Joseph Stalin died in 1953 . . . Mao Zedong wept loudly at the Soviet embassy in Beijing," and when Khrushchev "denied the role of Stalin," he "denied the history of the Soviet Union." Rowan Callick, *The Party Forever* (New York: Palgrave Macmillan, 2013), 40–41. The purpose of this Propaganda was to ensure the CCP never does to Mao, what Khrushchev did to Stalin, lest the CCP follow the Communist Party of the Soviet Union to extinction.

4. Jeffrey C. Alexander et al., *Cultural Trauma and Collective Identity* (Berkeley: University of California Press, 2004).

5. Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt, Brace and Company, 1950).

6. Juan J. Linz, *Totalitarianism and Authoritarian Regimes* (London: Lynne Reinner Publishers, 2000).

7. Yaroslav Trofimov, "The Muslim World Looks on as China Persecutes Its Muslims," *The Wall Street Journal*, February 21, 2019.

8. Post-totalitarianism is mentioned above. It can refer to dictatorship, authoritarianism, or democracy. Béja seems to define "neo-totalitarianism" as a lighter form of totalitarianism in which some freedom exists. In the case of China, he says that some freedom exists in the economy and on the Internet, but that the Party seeks total control in the political, social, and religious field. Jean-Phillipe Béja, "Xi Jinping's China: On the Road to Neo-Totalitarianism," *Social Research* 86, no. 1 (2019). This is different from my concept of *pre-totalitarianism*, which focuses on the re-emergence of central aspects of totalitarianism—ideology, mass organization, and terror, for example—in the exercise of power.

9. Note on the structure of the empirical chapters (chapters 3–10). Empirical data is categorized, presented by thematic content, and then followed by a "Discussion" section where the data is interpreted. This structure is used repeatedly in each empirical chapter. An empirical theme is presented and then interpreted and then the next theme is presented and so on.

Part I

Introduction

ONE

Pre-Totalitarianism

Gateway to the Supersense

For 2,000 years, according to Hannah Arendt, Aristotle's threefold framework of types of political organizations accounted for all known political regimes until, that is, the twentieth century, when a fourth type emerged out of the depth of human evil: totalitarianism.¹ Evil, for Arendt, is the destruction of cultural form and the moral limits it imposes on individuals and the social organizations of which they are a part.² Out of the cultural disintegration of society in Germany and Russia, "people lost in history," in Francois Furet's words,³ rose a new whole, an evil one, substituting evil ideologies for what had previously been at least some level of human community with moral limits.

Driving these new ideologies was not so much the totalization of belief but the pursuit of *total* control, the destruction of human community and the individual's space within it. Totalization was achieved through, above all, terror and organization.⁴ Organizations implementing terror, as a form of anti-politics *is* the ideology, with incarceration, torture, and killing as ends in themselves. Mass murder is committed for no other reason than to maintain power in perpetuity.⁵ Movement is everything. Disruption is everything. It destroys habit, tradition, law, morality, relationships, and community.

Hannah Arendt's work focuses on Nazi Germany and communist Russia, under Hitler and Stalin, where pure forms of totalitarianism were most closely approached. Specifically, she focused on Russia in the 1936–1938 period, when Stalin implemented his super-purge, liquidating tens of millions of people, and in Germany in the early 1940s, when the concentration camp system was in peak operation, murdering millions.

My research focuses on present day China under the Xi Jinping regime. I collected field data in Beijing from June 2015 to July 2016. The Xi regime is showing totalitarian tendencies but at this point is a dictatorship. Raymond Aron defines totalitarianism by the degree of ideology directing decision-making, the degree of state-society unity, and the degree of ideology-driven violence.⁶ A state is totalitarian when it takes control of economic life and, through ideology and terror, creates an atmosphere of fear, silence, and belief. I will use this theory of totalitarianism to develop a concept of *pre-totalitarianism*. Pre-totalitarianism, defined as a dictatorial political organization that uses terror to control its population, has not extended terror to being an end in itself.⁷ I will use this concept to explore the Xi regime's dictatorship and any totalitarian impulses or trends that it may suggest.

In my theory of pre-totalitarianism, there is a core difference between dictatorship and totalitarianism.⁸ Dictatorship offers limited pluralism. Much of society is permitted to go about its daily business as long as it does not cross the government's goals or structure of power. This contrasts sharply with totalitarianism that seeks continuously to force citizens into what Arendt calls an "iron band" of homogeneity.⁹ Ideology provides the prototypes for commitment and terror with the force to ensure total compliance. Totalitarian states are unique in history in their extreme use of ideology and unique in modern history in their extreme use of violence. Though fear, in Montesquieu's view, is the core principle of dictatorship,¹⁰ in totalitarian systems it changes from a restraining force to an existential condition. Fear is widespread in China. The current Anti-Corruption Campaign, for example, operates outside the legal system, encourages the public to report infractions or signs of infractions, pulls individuals off the street, incarcerates for arbitrary lengths of time, and tortures to extract confessions and information. It is an instrument of terror in that the population greatly fears it. The population does not know how victims are chosen, where the campaign is focused, or where it will strike next. Arrests are discovered simply by the fact that people go missing. The Anti-Corruption Campaign is evidence of the Xi regime's totalitarian *tendencies*.

Recent reports from Xinjiang, a province in northwest China with large minority populations, show an even more aggressive implementation of a totalitarian regime. Concentration camps have been documented holding upwards of one million Muslim citizens and thousands of high-tech police stations using the latest facial recognition, artificial intelligence, and big data technologies for the control of human populations.¹¹ More than a million government minders have been embedded in local households to evaluate family members' political and social attitudes for possible incarceration in reeducation camps. Biometric data, including blood samples, have been collected from all residents between the ages of twelve and sixty-five to build DNA databases.¹² Previously, less ad-

vanced but similar methods were used in Tibet. The goal appears to be the liquidation of troublesome ethnic cultures, integrating the populations into the communist worldview. There is evidence that these methods are finding their way to other parts of China.

To be sure, the Chinese Communist Party (CCP) has had totalitarian tendencies from the beginning. Throughout the Mao era (1949–1976), it carried out campaigns that killed millions, often based on class (that is, ideological) motivations. This is why Teiwes describes the CCP as essentially totalitarian.¹³

Nonetheless, the literature is mixed as to whether the CCP is a totalitarian state. Heilmann says that the CCP is not totalitarian and Nathan argues that the CCP has evolved from its totalitarian period to a “classic authoritarian” regime.¹⁴ Ringen, however, concludes the CCP is “near-totalitarian,” just not fully driven by an ideology.¹⁵ Shambaugh describes the CCP’s style of coercion as creating fear, an environment of intimidation, deterrence, and uncertainty.¹⁶ He believes this style has a “direct line” to Hitler and Stalin through the organization of the security services. When we add Shambaugh’s view and the CCP’s totalitarian history, especially the Cultural Revolution, when over one million were killed in an ideological frenzy that reached high levels of collective irrationality, to current developments in the Xi regime, including the reappearance of a cult of personality around Xi, it is a propitious time to carry out a detailed empirically based review of the Chinese political system with an eye to pre-totalitarian developments.

Next I will use Arendt’s work to develop a stage theory of totalitarianism, create a concept of pre-totalitarianism, and discuss the relations between pre-totalitarianism and the literature on post-totalitarianism, with special attention to the role of memory, which I argue is essential for understanding movement to (or back to) totalitarianism. The concepts of pre-totalitarianism and memory will be used to review the literature on the Chinese political system in the following chapter and to carry out analyses in the eight empirical chapters that follow.

PHASES OF TOTALITARIANISM

Origins

Totalitarianism is a cultural phenomenon. It arises in countries where the culture is disintegrating. It provides comfort, certainty, and meaning.¹⁷ In situations where there is widespread despair, triviality, routine, and hypocrisy, the ground is set for the possible rise of a totalitarian leader/organization. Humans have a desire and need for truth to avoid madness and isolation. When truth is destroyed, when a common culture unravels, when culture no longer supplies the coordinates of social inter-

action and self-esteem, people will grasp at anything; they will believe the absurd. In human life, evil always has some level of attraction, with the breakdown of shared moral controls, the potential for evil rises.

Simultaneously with the breakdown in cultural organization comes the breakdown in social structure. The relations between classes become unstable. The leadership class loses legitimacy. This can come from economic crisis, moral depredation, political instability, administrative incompetence, or some combination. Totalitarianism is a mass movement. It seeks to replace classes, where social identification and group solidarity is limited and specific, with masses, where individuals are atomized and undefined. In a situation where culture and social structure are disintegrating, individuals starved for consistency and self-respect will join mass movements. Ideological consistency replaces social attachment. A terrible abstraction takes hold of social life. It becomes so important that people will kill and die for it. This is a major difference between totalitarianism and dictatorship: totalitarianism serves a deep *psychological* (pseudo-religious) need.

Followers believe in everything and nothing. Starved for cultural consistency, they believe anything that is consistent; but isolated from stable social groups with stable identities they easily shed one belief and accept another as long as it is logically consistent. Believers are both gullible and cynical. Since at bottom they are socially rootless, everything is possible, but nothing is true. Politics deteriorates to pure power relations. A leader who promises domination dressed in a consistent logical system, no matter how simplistic and exaggerated, becomes an intoxicating political force under these conditions. Everything is possible and nothing true driving and being driven by a shifting logical system under the control of an insane leader, becomes a force of deadly destruction.

Phases

Totalitarianism is not an all-or-nothing phenomenon; it develops over time, adding features until it becomes a fully developed totalitarian organization or it can enter a stage of what Linz calls "arrested totalitarianism."¹⁸ In other words, authoritarianism, dictatorship, and totalitarianism can exist in transitional states or mixed forms. Next, I will discuss the central phases in totalitarian development.

Pre-Totalitarian Phase

The most basic difference in all governments throughout history is whether they are lawful or lawless, whether they are legitimate or arbitrary. The pre-totalitarian phase is lawless. The form of government is dictatorship. The ruler rules according to whim, according to interests. There is little to no check on his power. This form of government is

common throughout history. It is often violent. Terror is its central means to control the population.

Terror creates powerlessness in the population. It isolates individuals. Law may exist, but it is unreliable. The dictator is unrestrained. Social life is a “wilderness of fear and suspicion.”¹⁹ Nonetheless, not all connections between people are broken. Private life is left mostly intact. The individual can still function as a human being. Despite living in fear, a space for decision, though constrained, is still possible. Under totalitarianism, this limited space is destroyed.

These differences can be seen in the functioning of the secret police under dictatorship and totalitarianism. Under the former, only those citizens who are suspected of resisting or opposing the government are harassed, jailed, or murdered. President Xi’s arrest, and in some cases killing, of political rivals on charges of corruption is pre-totalitarian in that it is in his political interest to remove them. In totalitarian systems, however, arrest has nothing to do with individual intent or action. Those who are categorized as not fitting the current definition of the good society are removed. They are deemed an “objective enemy.” Their guilt is conceptual. The CCP attacked “capitalist,” “rightist,” “bourgeois,” “poisonous weeds,” and so forth as categories of people.²⁰

Totalitarianism: Phase One

The initial phase of totalitarianism carries over the violence and terror of dictatorship, with the goal of wiping out all opposition. In this phase, the dictator is still trying to consolidate power. His behavior is still tied to self-interest. His complete lack of moral limits and his systemic lying are merely similar to that of the worst dictators. His principle is “Everything is permitted.”²¹ It is a nihilistic principle, but short of the insanity to come.

During this phase, the destruction of the *legal person*, a person protected if not by courts at least by generally accepted norms (that people cannot be killed for no reason or for abstract reasons having nothing to do with the actions of the individual) has begun. This is a crucial first step in the development of *total* domination. In Raymond Aron’s words, the “silken thread of legality” is broken, giving the “sword’s edge” free rein.²² The Xi regime’s use of quotas to make arrests for corruption sends innocent people to jail. This behavior is in between the pre-totalitarian phase and phase one, because even though people are not categorized and punished independent of guilt, a category motivates their punishment independent of guilt.

By the end of phase one, all opposition is removed, but the killing does not stop. Systematic ideologically driven killing begins. Stalin initiated the Super Purge after he liquidated all conceivable resistance by

the early 1930s. With the onset of ideologically motivated killing, the political system has fully entered totalitarian anti-culture.

Totalitarianism: Phase Two

Terrorism is no longer selective. Total terror begins. Terror becomes the essence of the power system. The social effect is extreme isolation and despair. A human social world with some measure of trust, attachment, caring, and predictability no longer exists. Without a social world, the individual can no longer exist as a human being. Without a shared social world, experience and knowledge are not possible because without socially maintained standards there is no way to separate fact from fantasy.

After destroying the legal person in phase one, totalitarianism moves on to destroy the *moral person* in phase two. Where there is no shared world with interpersonal attachment and confirmation, there is no meaning. Where there are no witnesses, there is no testimony.

In the concentration camp, totalitarianism's central institution, there is a complete breakdown of human life. The camps are factories for human degradation, torture, and murder. They are the essence of totalitarianism. Incarceration and punishment, including death sentences, have no relation to the actions of the individual. Life and death become meaningless. In this situation, moral action is impossible. Conscience becomes inoperative. This is how the moral person in man/woman is destroyed. The current concentration camps in Xinjiang have clearly destroyed the inmates' legal rights, but since the purpose of the camps is the replacement of Muslim culture with Chinese socialist values, they have to some serious extent entered into the destruction of the moral person.

Concentration camps model the destruction of the moral person in a second way, through complicity. Victims who will be killed in the future are forced to participate in the murder of other victims in the present. This is another way totalitarianism is total: Everyone participates in the crime.²³ Morality is destroyed. Individuality is destroyed. Nothing proves easier than destroying the moral person in isolated individuals who had prided themselves on their heightened individuality during the pre-totalitarian period. Indeed, secular societies with higher levels of individualism have succumbed to totalitarianism more easily than societies with higher levels of religious belief.²⁴

After the destruction of the legal person and the moral person in man/woman, there is little left of individuality, if anything. This explains the horrific fact that individuals did not protest as they were marched to their deaths: When man/woman is robbed of their identity there is little left to protest. This is why suicide was surprisingly rare in the camps: There were no moral resources left by which to make a sacrifice.

Whereas in phase one the guiding principle is *everything is permitted*, in phase two it is *everything is possible*. The leader or leaders of the totali-

tarian system descend into insanity. Omnipotent thinking determines their thoughts. The complex relation between thought and action collapses. Internal thought processes, under the control of grandiose views of their own power and the power of the organizational machine that they have created and control, have taken over their thinking. Grandiosity infects the entire social apparatus, especially armies of supporting casts that have been selected and trained. The capacity to distinguish between fact and fiction, true and false, greatly declines.

Totalitarianism: Phase Three

All along totalitarianism drives toward one supreme goal: to make all citizens identical. By removing the great diversity of human beings, it seeks to create men/women who are predictable cogs in its machine. It does not seek so much to change society as to change human nature, to destroy it. Everything follows from this goal. The unending killing is needed to remove "surplus" population but above all to maintain control by fueling the unending reign of terror.

In pursuit of the perfect totalitarian state where society no longer exists and all men/women have been forced to act like One, terror is the driving force that continuously disrupts and destroys all human relationships. As a substitute for human relationships, terror creates a system of total domination according to a particular ideology; biological purity in the case of the Nazis or classlessness in the case of the communists. Totalitarianism seeks the welfare of the collective, not the welfare of individual human beings. Particular ideals are pushed to the extreme. Men, to carry out this enterprise, in the words of Solzhenitsyn, act like "raging beasts, abandoning every concept of humanity."²⁵

ORGANIZATION AND PRACTICE

Structure

Stalin often used "transmission belts" as a metaphor to describe the correct functioning of totalitarian institutions in relation to society.²⁶ In machines, transmission belts transfer energy from the engine, the power source, to create some sort of effect, turning wheels or thrashing blades, for example. A transmission belt is an apt metaphor for totalitarian institutions because it expresses totalitarianism's great concentration of power, singular purpose, and extreme instrumentalism. Totalitarian institutions destroy human beings for a giant purpose.

Totalitarian organizations, existing in a non-totalitarian world, must conceal their methods and purpose. It is not easy to carry out mass incarceration and mass murder without causing great panic and resistance. They do this internally by developing onion-like organizations with each

outer layer concealing a more violent layer beneath it. To make sure their goals and methods go unreported, the intellectual class must be subjugated or liquidated.²⁷ This accounts for the hermetically sealed nature of totalitarian regimes. Ironically, nonetheless, totalitarianism is dependent on the non-totalitarian world to feed its homicidal goals. Otherwise, there would be no one left to kill, its constant movement would end, and institutions would begin to form. Its fantasy of perfection would be still-born.

In the meantime, concealment is the order of the day. The whole structure revolves around The Leader, who is insulated at the center of the onion. He simultaneously presses campaigns of mass murder while expressing normality to the non-totalitarian world. The shapeless onion around him is nearly the opposite of a Weberian bureaucracy. The hierarchy is unclear, directives are vague, and responsibility is un-locatable. Organizational functioning continuously shifts back and forth between the secret intentions of The Leader and the layers of fake or semi-fake front organizations. In all this chaos, the only stability is the will of The Leader which itself continuously changes due to its belief in its own omnipotence. Nonetheless, totalitarian organization is more than the directives of the leader. Many people are actively committed to totalitarian goals and ideals and take initiative in carrying them out.²⁸

In these conditions, the real source of directives is never clear. This makes accountability and responsibility impossible to determine. Furthermore, the whole structure exists in duplicate or triplicate, or more creating great flexibility for the leader, making internal opposition nearly impossible, while allowing ceaseless waves of purges to take place without completely destroying organizational functioning.²⁹ Indeed, this permanent instability and liquidation of factions is an essential step in the move from one-party dictatorship to totalitarianism. Full totalitarianism requires all power to reside in one man.

Secret Police

The core institution in fully developed totalitarianism is the secret police. They are the central transmission belt. They are the leader's own private transmission belt. In effect, they run the "government." More than that, they are what amounts to totalitarianism's ruling class. Their values and standards are central and pervasive in the totalitarian way of life. Outside the camps, they are the core instrument of violence and terror, which is central to totalitarianism. It would be an exaggeration to say they turn the entire society into a concentration camp. There are too many people to put all of them in prison and some portion are needed to provide what is left of social and economic organization that totalitarianism ambivalently requires to exist in reality.

Concentration Camps

Concentration camps are the central institution of totalitarian power.³⁰ They create the world utterly lacking in morality that is needed for total domination, provide training in evil for the shock troops needed to create such a world and the fanaticism needed to motivate them, and the fear and apathy that engulf the rest of society. The camps are the essence of totalitarianism, where totalitarianism achieves near pure form. If totalitarianism has an ideal, the camps are its closest manifestation.

The camps are factories for degradation and extermination. Humans are turned into things. Arendt argues that people in the camps are more effectively cut off from society than the actual dead, because absolute terror creates oblivion. In a normal society, the dead are not forgotten.

For the people living in camps, life is incomprehensible. All human societies require moral limits that are more or less followed. This is exactly what is missing in the camps. In the camps, everything is permitted. This is not a human world. It is subhuman. It leads to innovation after innovation in the pursuit of a world where everything is possible. A world where everything is possible is a world without sense and meaning. In such a world, if even the slightest limit is established, the whole structure would collapse, because anyone spared would not be able to tolerate the horror. Only with continuous disruption and continuous killing can the everything-is-possible world exist. Stop the killing, and justice would begin to arise. Under full totalitarianism, movement is all.

Elite

The key characteristic of the elite corps surrounding The Leader is its inability to distinguish true from false, fiction from reality. Its members are chosen and promoted based on this inability. In other words, the elite's greatest strength is its blind loyalty to the leader. Members of the elite cannot think for themselves. They are fanatically committed to whatever the leader says, no matter how absurd, vile, or self-contradictory.

The elite has a complete contempt for all facts and reality. It is bound together and to the leader by a complete devotion to the infallibility of the leader and a belief in human omnipotence, particularly the omnipotence of the leader's directives and the organization of which it is a part. If there is any question of the leader's infallibility the whole structure falls apart, because reality will seep into this purely fictive world and destroy it. As long as the leader and the elite corps have the power to force reality to conform to their imaginary world, their belief system remains intact. Reality is a constant threat.

The key to understanding the leadership elite is members' belief that everything is permitted because everything is possible. Everything is possible because they live in an imaginary world, disconnected from the

past and the future. Their fantasies of omnipotence lead them to believe their organization is unstoppable and will remake the world.

Terror

Terror is the essence of totalitarianism because it is the essence of totalitarian organizational practice. It must be so because only terror can fully destroy the existing social world and fully create the fictive world the leader imagines. Terror is not a tool that is used; terror *is* totalitarian organization. There is nothing else. Only terror can fully enforce the leader's vision because only complete terror can completely destroy the natural diversity of beliefs in a human population.

The key form of terror used by totalitarian organization is the arbitrary selection of murder victims. This practice destroys the civil rights of the whole population, produces fear and passivity in the population, and destroys relations between citizens. The latter turns friends into enemies and isolates individuals, reducing their capacity to resist to practically zero.

The arbitrary persecutions, the endless purges of the bureaucratic apparatus, and the mass liquidations all serve the same purpose: Make human beings irrelevant. Terror creates the frozen social world needed to exercise total control. Only total control can force reality to conform to an idea by removing human individuality from it.

Terror both protects and demonstrates the fictive vision and builds a protective wall around the leadership elite. A small group, perhaps one person, is, at least for a while, the only place where security exists.³¹

Efficiency

As has been shown, the totalitarian chain of command is ambiguous. There are many reasons for this. One, it makes it very difficult to determine responsibility for orders and actions. Two, it provides great flexibility for the leader. He can use the bureaucracy any way he wants. Three, the relentless purges carried out on the administrative hierarchy to maintain total control over it, indeed in some cases to liquidate it as a social class, remove any organizational coherence. Four, training in ideological fanaticism undermines interest in particular jobs. Administrative action is motivated by and infused with abstraction. Technical requirements, central to Weberian bureaucracy, are missing. Five, constant organizational change from purges, transfers, reorganizations, or expansions makes it impossible to develop relationships. Without a stable community, knowledge and experience are difficult to develop and maintain. This creates an opening for training in ideological fanaticism.

The environment of organizational confusion is a tool of totalitarian control. Not only is there little responsibility, there is little competence.

Both these traits support the rapid changes in policy. The organization is not designed for efficiency. Its amorphousness not only maximizes the leader's control, its shapelessness makes it shockproof because structure has already been undermined.

Complicity

While the bureaucracy is not designed for efficiency, it is designed for complicity. Ambiguous orders throughout the bureaucracy force officials at every level to "interpret" the meaning of vague or contradictory commands from on high. This is serious business because the cost of misinterpretation could be one's life.

The primary purpose and practice of totalitarian organization is terror, often murder. In this context, complicity means carrying out or participating in torture and murder. This guarantees loyalty because if the leader goes down, the officials beneath him go down too. Each official is trapped for life, because the nature of the complicity is such that if the leader falls, the entire official class will be held responsible for participating in the murder machine. The normal distance between professional life and private life disappears. The official's beliefs, interests, and future are tied to the leader.

Totalitarianism does not stop there. It spreads complicity until it organizes the guilt of the entire population. It does this by promoting new people into positions whose previous occupant was disposed of by the most recent purge. In Poland, after Nazi "cleansing" operations, entire villages were turned over to new residents. More to the point, in China, shortly after 1949, Party officials organized and motivated peasants to kill their landlords themselves and receive an allotment of their land.

IDEOLOGY

Fictitious World

With the use of terror and indoctrination, a fictitious world can be created. This world exists inside an ideology. An ideology is the logic of an idea. It treats the external world as if it can be created in the same way an idea can be defined. Totalitarian ideology explains everything that has happened in the past, is happening in the present, and will happen in the future. Of decisive importance, it is independent of experience. It is free of sense perception. The practically infinite complexity and uniqueness of reality, and the experience of it, are ignored.

Ideology presents a logical consistency that exists nowhere else in reality. It substitutes logic for thought. It stops thought. It stops the mind from using ideas to explore and investigate reality. It reduces reality to a

single idea, or to the logical relations between elements in an idea or a limited set of interrelated ideas.

The ideological world is entirely imaginary. Once one enters this world, not only is thought destroyed, individuality is also destroyed because the uniqueness of every mind and its operations is expunged. Everyone has the same ideas, the same beliefs. This world shows contempt for reality and factuality. Consistency of the ideology is everything. This is where terror comes in. By using violence to force the world into consistency, totalitarian ideology demonstrates it is true.

It is under these conditions people will accept guilt for crimes they have not committed. Without individuality, with the capacity for thought and experience limited to logical relations inside an ideology, people will admit to crimes they have not committed, if the accusation is consistent with the ideological narrative. If a person is accused of giving secrets to the enemy but did not do it, they will admit to the betrayal if their experience is inside an ideology that defines them as a spy. People understand themselves to be the "objective enemy," and their guilt as an "objective fact." This is why totalitarian regimes so often use torture to force confessions from people they are going to kill: to achieve consistency.

Totalitarian ideology is insane because it disconnects people from reality, forcing them into an imaginary world of purely logical relationships. Without social relationships and contact with sense perception, people lose the capacity to think about and experience reality, internal and external. Ideology, logicity, becomes a *supersense* that rules over life. All awareness follows logically from the postulated system.

The fictitious world of ideology is fundamentally unstable. Propaganda, organization, and logic are never enough to keep reality from creeping in and exploding the self-contained logical system. Despite the constant pressures and challenges, totalitarian movements have taken control of large, complex societies. As we have seen, their success can be explained by a societal context of cultural disintegration and political dysfunction that is exploited by propaganda, organization, and terror, making a flight into ideological consistency an attractive refuge.

The Leadership Principle

The chief quality of the leader of a totalitarian movement is his belief, and the belief of his followers, in his "infallibility." It is not that the leader himself believes in the ideology he espouses. Since he is always right, he does not need to believe in anything. This is another reason edicts from the leader are always changing. In fact, the entire elite leadership group surrounding the leader knows very well that the leader is not infallible. "Infallibility" means that the leader controls the instruments of violence and the totalizing vision in his person. For the totalitarian movement organization is everything because it provides identity, direction, and the

means of domination. As head of the organization, the leader is “infallible” because—at least temporarily—he can force reality into his ideological prescription.

The leader’s primary task is to manage the obscure space between the totalizing vision he enforces, inside the movement and outward into society as far as he can, and the declining levels of acceptance until that vision arrives at the non-totalitarian world beyond. In order to protect his movement from the non-totalitarian world, he must build an iron wall to keep reality out, while at the same time endlessly lying to the outside world so as not to alarm and spark its hostility.

The leader’s double function, and his endless task of keeping the two worlds apart, is not easy. Arendt states that the most outstanding personality traits of Hitler and Stalin were their monstrous unfaithfulness and untruthfulness (this applies to Mao as well). They did not seek the warmth of human friendship, and it did not develop in social circles in which they were dominant. The capacity to betray, distrust, and lie served as job skills essential for managing the boundary between the inhuman totalitarian world and the human non-totalitarian world beyond.

The totalitarian movements that Hitler and Stalin led were structured by a hierarchy of contempt. The people closest to the leader were disdainful of those farther out from the leader, who actually believed the propaganda emanating from the center. Totalitarian ideology is ultimately not about belief but about power, the power to make the world entirely consistent with a system of logical relationships. The violence necessary to accomplish this *is* the ideology.

POST-TOTALITARIANISM

Totalitarian regimes are a descent into madness that takes over the actual functioning of the political system. Everything-is-possible thinking overwhelms the cultural restraints that make human social life possible. Such periods are unstable even though they can last for decades. In the case of the Soviet Union, soon after Stalin’s death in 1953, the totalitarian movement started to crumble. Khrushchev’s condemnation of Stalin for the insanity of the mass murders, the inhumanity of the gulag prison system, and the “cult of personality” that made it all possible, was the beginning-of-the-end of totalitarianism in the Soviet Union.³²

According to Linz, the cause of the decline of Soviet totalitarianism was a crisis in the “ideological way of thinking.”³³ He argues that ideological commitment became ossified and ritualized, especially among middle- and lower-level cadre. Conflicts also developed among the elite. The vision of utopia was no longer a motivating force; it no longer legitimized the endless violence that totalitarianism requires to survive.

The decline of totalitarianism in China is different. The CCP chose not to attack Mao and discredit him after his death despite the extraordinary death and destruction he had caused. In fact, even though his successor, Deng Xiaoping, radically changed course after Mao's death in 1976, he was careful to camouflage these changes in Maoist rhetoric to win their approval. The decade that followed, the 1980s, was the freest since the Communist Party's takeover in 1949. Nonetheless, Deng had no intention to give up the monopoly on power and, in fact, gave the order to massacre the scores of protesters on Tiananmen Square who were challenging Communist Party rule in 1989.

The change of a totalitarian state into a non-totalitarian dictatorship has several characteristics.³⁴ Even though the state is still very repressive, it relaxes its drive for total control and total uniformity. Terror is no longer the essence of its action. The universal fear that enforced the universal silence diminishes. Above all, mass killing is no longer its driving force.

These changes make it very difficult for the regime to hold onto power. It no longer has terror to enforce its every wish. Its previous use of terror is now open to condemnation. The ideology that was buttressed by terror weakens. Opposition expands and intensifies. With these developments, the temptation to return to terror is ever-present.

The CCP has not returned to the Mao-era totalitarian drive and militarization of society, but the last two decades have seen a steady increase in repression. The Xi regime is clearly following this trend and has intensified the role of ideology in state and society.³⁵ The increasing use of technology for monitoring and controlling human behavior, suggests new forms that total control may take.

When totalitarian regimes implode and an attempt is made to throw off the dehumanizing shackles and establish a democracy, other problems arise. According to Linz, the main problem is the utter destruction of civil society that occurred during the totalitarian period.³⁶ Indeed, unlike China, Russia did attempt to establish a democratic political system in the 1990s after the fall of the Communist Party, but even though elections are still held, a strongman, Vladimir Putin, has for all practical purposes regained dictatorial control over Russia. Not only is Putin popular but even Stalin scores well on surveys of Great Russian leaders. Russia's political history has long favored dictators in the desire for public order and national greatness.³⁷

It is in this context that I argue that post-totalitarian societies not only struggle toward democracy or descend into one or another form of authoritarianism; but the authoritarianism can develop *pre-totalitarian* patterns. This is what I suggest is happening in China and what Gessen's data shows is taking place in Russia.³⁸

A key aspect determining the re-introduction of totalitarian patterns is the human tendency to repeat powerful experiences, especially the expe-

riences of trauma. Totalitarianism is nothing if it is not traumatic for a society. As I will discuss, a key factor in repetition is the role of memory. If memory is “forgotten” because of its painful and traumatic nature and the political leadership reintroduces censorship/indoctrination as one of its core instruments of power, the totalitarian past can begin to reemerge in distorted and disguised forms. In this way, post-totalitarianism can revert to pre-totalitarianism.

CONCLUSION

Pre-totalitarianism is a political and cultural condition characterized by dictatorship, cultural disintegration, and increasing repression. The central question: Will the dictator or dictatorship move the society toward totalitarian domination? With the culture disintegrated and intermediate classes removed from the social structure, there are little or no grounds for resistance. The dictator is in a dominant position. The population is in a dependent position. Without an autonomous cultural and social structural base, the population’s need for some meaning to organize their lives leaves them vulnerable to the answers of ideology.

In this situation, a dictator can proclaim a vision of harmony, purity, truth, or greatness and entice the society toward acceptance of an ideology and a social organization to achieve it. Alternatively, under these conditions, in this social state, the leader or leadership group does not or cannot move beyond the pre-totalitarian phase, and thus remains a non-totalitarian dictatorship to one degree or another. In this case, the dictator will focus on maintaining his domination of society; and remove all challenges to his power, but not move toward total control. Total control would involve an increasing role for the secret police, complete intolerance of alternative ideologies (or even imagined relations, directly or indirectly, to alternative ideologies), continuous waves of terror, and the creation of concentration camps.

In the pre-totalitarian phase, people still maintain their private lives and private relationships. Much of normal life goes on. The principle of economic efficiency is still primarily followed in the economic sphere. A free-market economic organization is mostly allowed to function. As long as people avoid political activities and criticism of the regime, they are mostly free to express diverse cultural styles and participate in activities involving recreational pursuits. To be sure, the media is tightly controlled, and the education system is closely monitored.

Under pre-totalitarian conditions, a robust police force is maintained along with an extensive system of informants. Violence is used without hesitation against resistance to dictatorial control and organization. The rule of law does not, and cannot, exist under these conditions.

The question whether a dictator moves toward totalitarian control depends on personality, power threats, and goals but above all, societal conditions. To considerable extent, a leader is a product of his society. If the society is in a condition of cultural disintegration, the leader may be as well. Lenin, Stalin, Hitler, and Mao all came to power in periods of cultural disintegration and political decline.

Alternatively, a post-totalitarian society runs the risk of returning to totalitarianism during periods of societal stress or threats to the political elite. This is especially true if the post-totalitarian leadership has directly experienced the totalitarian period. Germany would seem to be an exception to this rule because its response to its totalitarian experience was, and is, to develop strong institutional and cultural constraints to block a return to totalitarianism. For those post-totalitarian countries that moved on to dictatorship, these safeguards do not exist.

Above all, three risk factors signal movement from pre-totalitarianism to totalitarianism. The first is increasing use of terror. Terror is commonly practiced in dictatorships. It is used to intimidate, shock, and incapacitate resistance. Terror is a tool of power, a weapon. Under totalitarianism, terror becomes central. It is no longer a tool. It *is* the political system. Violence drives continuous and deep instability. Terror permeates society. This is the only way *total* control can be achieved.

The second risk factor is the organization of the population according to a single ideology. Every society is characterized by significant overarching beliefs and attachments to similar, or the same, symbols. Yet these societies can still maintain significant diversity. When this diversity comes under attack, when a single ideology is forced on the whole society, the movement toward totalitarian control is under way. Communist parties are notorious for enforcing a singular mindset on their citizens since they “know” both the laws of historical change and the end of history. Mao’s “mass line” theory is a good example, assuming that the “masses” had a singular set of values and social relations. His “from the masses to the masses” theory was his sleight of hand, inserting the totalitarian Communist Party into the middle of his theory to ensure it produced the “correct” results.

Finally, totalitarianism requires an insane leader who believes his system is more important than the people it is supposed to serve, is willing to use systematic violence to implement it, and believes everything is possible.³⁹ The last point is magical thinking; grandiose and omnipotent fantasies are experienced as real. The leader’s feeling of omnipotence spreads to his followers.⁴⁰ This is why totalitarian movements commit such beastly crimes and treat their citizens as things.

There are other key aspects of totalitarian organization—concentration camps, secret police, informants, and so on—but systemic terror, unifying ideology, and omnipotent thinking are particularly important

because without them totalitarianism does not develop but remains merely a non-totalitarian dictatorship.

NOTES

1. Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt, Brace and Company, 1950).

2. Philip Rieff, "The Theology of Politics: Reflections on Totalitarianism as the Burden of Our Time," *Journal of Religion* 32, no. 2 (1952): 119–26.

3. Francois Furet, *The Passing of an Illusion* (Chicago: University of Chicago Press, 1995).

4. Dennis Wrong, "Into the Dark: Hannah Arendt and Totalitarianism," *Society* (May–June, 1981).

5. Masha Gessen, *Never Remember* (New York: Columbia Global Reports, 2018).

6. Raymond Aron, *Democracy and Totalitarianism* (Ann Arbor: University of Michigan Press, 1990).

7. "The Chinese dictatorship rules by fear. The technique of arbitrary force—sometimes being meted out when there is little cause and sometimes held back when it should be expected—is cultivated to perfection." Stein Ringen, *The Perfect Dictatorship* (Hong Kong University Press, 2016), 99.

8. My use of the word dictatorship, which Juan Linz uses only in the Roman sense of temporary emergency power in a crisis, combines aspects of several of his concepts of authoritarianism. I define the Chinese dictatorship as a single party exercising monopolistic control, structured as a bureaucratic organization with intense competition internally between factions. Despite the communist attack on the "four olds," dynastic traditions still have a strong influence on the functioning of authority in Communist China. As I noted in the Preface, I differentiate between dictatorship and authoritarianism in regard to the former operating outside the rule of law.

9. Arendt, *The Origins of Totalitarianism*.

10. Charles de Montesquieu, *The Spirit of the Laws* (Cambridge: Cambridge University Press, 1989 [1746]).

11. Eva Dou, "China Acknowledges Re-Education Camps," *The Wall Street Journal*, October 10, 2018.

12. Chun Ha Wong, "China's Hard Edge: The Leader of Beijing's Muslim Crackdown Gains Influence," *The Wall Street Journal*, April 7, 2019.

13. Frederick C. Teiwes, "Mao Zedong in Power," In *Politics in China*, ed. William A. Joseph (Oxford: Oxford University Press, 2014).

14. Sebastian Heilmann et al., *China's Political System* (New York: Rowman and Littlefield, 2017). Andrew J. Nathan, "Authoritarian Resilience," *Journal of Democracy* 14, no. 1 (2003): 6–17.

15. Stein Ringen, *The Perfect Dictatorship*, 177.

16. David Shambaugh, "The Foundations of Communist Rule in China. The Coercive Dimension," in *The People's Republic of China at 60*, ed. William C. Kirby (Cambridge: Harvard University Asia Center, 2011).

17. Furet, *The Passing of an Illusion*.

18. Juan J. Linz, *Totalitarian and Authoritarian Regimes* (London: Lynne Rienner Publishers, 2000).

19. Arendt, *The Origins of Totalitarianism*, 164.

20. "And 'preparation is punished in the same way [i.e., with the same penalty] as the crime itself'" (Criminal Code). In general, "we draw no distinction between *intention* and the *crime* itself, and this is an instance of the *superiority* of Soviet legislation to bourgeois legislation." Aleksandr Solzhenitsyn, *The Gulag Archipelago* (New York: Harper, 1976), 62.

21. Arendt, *The Origins of Totalitarianism*, 138.

22. Aron, *Democracy and Totalitarianism*, 154.
23. "It was precisely at this moment that an important step was taken toward universal participation . . . universal distribution of responsibility. . . . Those who had not yet been swept . . . to the Archipelago, had to march . . . carrying banners praising the trials . . . prosecutors would turn out to be no more guilty than you and I, fellow citizens!" Solzhenitsyn, *The Gulag Archipelago*, 46.
24. Linz, *Totalitarian and Authoritarian Regimes*.
25. Solzhenitsyn, *The Gulag Archipelago*, 56.
26. Arendt, *The Origins of Totalitarianism*. Chen Quanguo, the Communist Party head for Xinjiang province expressed a similar view in 2017 when speaking to police officers implementing his totalitarian controls: "you are the bridges and bonds the party and government use to communicate with the public." Wong, "China's Hard Edge." Use of the police as "bridges and bonds" signifies the iron grip government institutions maintain on society in the totalitarian mind.
27. Furet, *The Passing of an Illusion*.
28. Linz, *Totalitarian and Authoritarian Regimes*.
29. "There were enough waves to use up the names of all the rivers of Russia." Solzhenitsyn, *The Gulag Archipelago*, 25.
30. "During the Second World War, the SS extended the lawlessness it had pioneered in the camps to whole European countries under German occupation. The SS began as an organization outside the law, became an organization that transcended the law, and ended up as an organization that undid the law." Timothy Snyder, *On Tyranny* (New York: Tim Dugan Books, 2017), 44.
31. "If the powerful head of the capital could fall, others might soon follow. . . . A few began to believe that the only safe option was to trust nobody but the Chairman himself." Frank Dikotter, *The Cultural Revolution* (New York: Bloomsbury Press, 2016), 55.
32. Masha Gessen, *The Future Is History* (New York: Riverhead Books, 2017), 36.
33. Linz, *Totalitarian and Authoritarian Regimes*, 21.
34. Furet, *The Passing of an Illusion*.
35. Ringen, *The Perfect Dictatorship*.
36. Linz, *Totalitarian and Authoritarian Regimes*.
37. Georg Fedotov, "Russia and Freedom," *The Review of Politics* 8,1 (1946): 12–36.
38. Gessen, *The Future Is History*.
39. It is important to note that totalitarianism in Germany and the Soviet Union ceased with the deaths of Hitler and Stalin. Stephen J. Whitfield, *Into the Dark: Hannah Arendt and Totalitarianism* (Philadelphia: Temple University Press, 1980).
40. Gustave Le Bon, *The Crowd* (Mineola, NY: Dover Publication, 2002 [1895]).

TWO

The Chinese Political System

A Literature Review

THE TRADITIONAL POLITICAL SYSTEM

Traditional Political Culture

Benjamin Schwartz lists eight distinctive features of Chinese society: ancestor worship, the religious nature of family, the emperor as both political and religious leader, family as a metaphor for both society and government, the centrality of education in governance, the sacred quality of the political order, the myth of origin and the resulting commitment to tradition, and the belief in universal order. All had a place and a role under heaven.¹

For my purposes, I want to draw attention to the strongly authoritarian implications of these key features in Chinese traditional culture. Not only does the traditional family have a strong hierarchical nature, the state is seen as a big family, the emperor the father. The father in the family is an emperor writ small. In both systems, family and state, core beliefs take on a sacred aura, further deepening and intensifying the family model.

The family model for governance and its religious basis, lent, to some degree, an empathic or benevolent element to Chinese governance, what Elizabeth Perry calls “benevolent governance” and “pragmatic populism.”² The emperor and the bureaucratic officials under him, were seen as fathers and mothers and expected to care about their children, the population. The government focused on practical results to benefit the population and conducted public rituals to express their devotion,

though extreme self-interest and extraordinary disregard is commonly seen in Chinese political history.

The idea of universal order and the belief in origin create a heavy reliance on tradition and traditional authority, which also fits the repetitive and routine nature of an agricultural based economic system. Since the Chinese believed immutable forces ruled the universe and much of life on earth, they believed the state was an immutable force too. This led to what Perry calls "state worship."³ It follows that much of life is beyond the individual's control. Fate is central to the Chinese worldview. Inevitably, according to Lucien Pye, this led to the wish for magic, to regain some control over immutable forces.⁴ This has contributed to a tendency for wishful thinking in Chinese culture as can be seen in the upbeat nature of government pronouncements and the tendency of the population to believe them. Father/state worship from the family model and the tendency to denial from wishful thinking leave Chinese culture vulnerable to totalization.

Traditional Political Structure

One of the impressive accomplishments of Chinese civilization for 2,000 years is a class of scholar-officials, the mandarin, chosen to run the state based on their performance on a rigorous series of tests on Confucian doctrine. Unlike most of the population, some 95 percent, who were illiterate, the scholar-officials were trained in rational thinking, rejecting the strong propensity for magical thinking among the general population.

The scholar-officials were generalists and followed Confucian moral teachings as their central orientation. This gave Chinese political culture and Chinese culture generally a strong orientation to social (hierarchical) order and correct behavior. Despite being individualistic (self-serving) and aloof (elitist), the scholar-officials too were part of the family model, expected to act as father and mother (despite all being men) to the rest of the population.⁵

The two other classes in traditional Chinese social structure were the peasant laborers, mostly farmers, the vast bulk of the population, mostly poor, who were sorted out in a complex social structure according to lineage, wealth, occupation, and geography; and the gentry. The gentry was a "buffer," according to Fei Xiaotaong, between the all-powerful scholar-officials and the peasants.⁶ The gentry, often Confucian educated, had local roots and thus local interests as opposed to the scholar-officials who were focused on career advancement in the centrally dominated bureaucratic hierarchy and were moved every three years to ensure their loyalties remained up and not out.

The religion of ancestor worship along with the Confucian emphasis on dutiful relationships in the family hierarchy and beyond, entrenched

the family unit and concrete relationships generally at the center of Chinese social organization. China is a small group society. People develop relationships with appropriate others and organize their social lives within and through these groups. Indeed, the Chinese personality is organized by these relationships. Concrete relationships are so strong that it makes China “easy to rule,” in the words of Pye,⁷ yet this central emphasis on direct relationships, especially to local authority figures, contributes to recalcitrant decentralization and the eternal problem of corruption in China.

The traditional state developed two central institutions to curb the propensity to decentralization. First, following Confucianism, education was seen as a panacea for encouraging correct behavior and increasing social harmony (social control).⁸ Within Chinese group culture, education was used to systematically “manufacture” feelings of shame whenever the individual violated group norms.⁹ The communists doubled-down on the use of education for social control, but they attacked the Confucian family, instead substituting the collectivity as a whole, pushing the loss of individuality to the maximum. Hence Mao’s “cult of personality.”

Second, the imperial bureaucracy long implemented a very sophisticated “dense network of crisscrossing surveillance.”¹⁰ This ingenious system utilized collective and mutual surveillance down to the small group level.¹¹ It is one of the reasons China is a low trust society, further making it malleable for central control. It also enabled a relatively small bureaucratic structure to effectively monitor and rule a vast country with a large population.

THE COMMUNIST REVOLUTION

The defeat of the Kuomintang, hugely funded and armed by the United States, brought the Chinese Communist Party (CCP) to power in 1949. For the communists, this was a “revolution” because they saw the Kuomintang as continuing the age-old repressive imperial system. The CCP was Marxist and committed to creating a new beginning, a socialist society in China.

According to Keith Schoppa, the Communist Party won the civil war because they were more effective in mobilizing the rural population,¹² which lived under harsh conditions in a feudal-like system of land ownership and exploitation. The communists adapted and utilized the Marxist ideas of class exploitation and class conflict to mobilize the rural population. They used the idea of “class struggle” to fight for land reform. Through this effort and other means they “shattered mass apathy and passivity,” which had characterized the peasant classes throughout Chinese history.¹³ Interestingly, Patricia Thornton argues that through their

social-psychological techniques, the communists “overdetermined” mass dissatisfaction.¹⁴ In other words, the communists turned mass dissatisfaction into their own means to accomplish their own ends.

As it turned out, the techniques of “class struggle” and “line struggle” were the communists’ central instruments of power in their effort to transform China into a socialist society.¹⁵ I will discuss these techniques and the “campaigns” used to implement them below. The CCP used mass murder as a central instrument of power. In the “land reform” effort, the communist’s “most significant” accomplishment,¹⁶ one to two million “land lords” were killed. Violence and killing is a central pattern in CCP’s governance. In this case, the communists liquidated an entire social class, destroying the power structure of which it was a part. The landlords’ property was redistributed to the peasants thereby building support for the Communist Party.

The origin of the CCP is tied closely to the Communist Party in the Soviet Union. Richard McGregor writes the CCP even today shows a “remarkable resemblance” to Lenin’s original design.¹⁷ The CCP follows Lenin’s “defining tendency” to rely on mass mobilization to achieve political control and political change.¹⁸ Mass mobilization assumes the “primacy of culture and ideology,” thus requiring the Party to take full control over the media.¹⁹ Here we see the roots of totalitarianism as both the Soviet Union and the CCP transformed the nature of one-party rule.

Starting with Lenin and going further under Stalin and Mao, control of society, even design of society, were not the end goals, but to create a “new socialist person” and new “socialist consciousness.”²⁰ They sought to change human nature, to take away the human capacity for personal decision. They used terror and ideology to accomplish these goals. In the great cultural transformations these two societies entered, their autocratic pasts reemerged in new and violent forms.

MAO AND THE MAO ERA

Violence

Andrew Walder puts violence first of four in a list of Mao Zedong’s core political beliefs.²¹ Mao believed only violence could change the distribution of power, create social change, and liberate the oppressed in China. Power holders and the elites that support them would not give up power willingly. Mao insisted on violent conflict *and* humiliation of elites to show the masses that the old elites were powerless and to change their emotional relations to the old power system. Mao believed that only by creating or releasing mass hatred for the old system, would emotional resources be available to create real change. He appeared to have little

understanding of the role of moral controls in human psychology. In any case, he felt little if anything about the human suffering that resulted.

The first seven years under Mao saw “blood campaigns” often, in the words of Roderick MacFarquhar.²² Even though Mao conducted fewer purges than Stalin, his basic approach had similar results, death, torture, and destruction. Millions of Chinese were killed in an unending wave of killing campaigns that did not stop until the mid-1970s, right before Mao’s death. Between the killing campaigns and “policy excesses,” 30 to 50 million Chinese lost their lives.²³

Mao in particular, who dominated the Party, and the Party generally bear a great deal of responsibility for these deaths that they promoted, organized, or carried out. Nonetheless, many members of society participated in the killing campaigns. This was certainly true during the mass murder of the landlords in the early 1950s and the Cultural Revolution in the late 1960s. In other words, violent tendencies in Chinese culture were activated in the killing campaigns. Violence was not just top-down, it was bottom-up too. For example, Paul Cohen argues that a traditional “demonological paradigm” was used in Communist Party campaigns, especially during the Cultural Revolution.²⁴ Red Guards were portrayed as and saw themselves fighting “dangerous apocalyptic threats” to save the nation,²⁵ often portraying their imagined enemies as “demons and monsters.”²⁶

The result of continuing waves of violence, torture, and death was an environment of fear. Intense fear contributed to acts of killing and explained the lack of resistance to it. In terms of the former, for example, Walder argues that as the result of intense fear of the Anti-Rightist Campaign, which punished people for “deviations” in their thoughts or actions, government officials “over-conformed” to Mao’s goals, resulting in the forced starvation of tens of millions of people during the Great Leap Forward.²⁷

The fact that the Communist Party’s horrendous record of violence brought “barely a whimper of complaint,” in Pye’s words,²⁸ is also the result of fear. Throughout history, tyrants used fear to control populations. With the Communist Party’s penchant for violence, use of collective punishment, random killing, development of a society-wide system of hidden informants, and violent intolerance of autonomous groups of any kind, they created an environment of fear where the most violent acts met with little more than hopelessness. Utter hopelessness is key to the success of totalitarian domination.

Mass Mobilization

According to Perry, “Mao’s techniques of mass mobilization . . . lie at the heart of Chinese exceptionalism.”²⁹ Mass mobilization was both an opportunity for the new regime to build a new China, but a challenge to

mobilize a huge, poor, and uneducated population. Indeed, Sebastian Heilmann notes the Communist Party leadership faced a country with poor administrative integration, weak fiscal capacity, weak policy coherence, and poor accountability.³⁰ Mao, drawing on his guerilla war experience where the communists were outmanned and out-gunned, utilized an experimental approach. Small cadre teams were inserted into the population to experiment with different policy configurations. They used demonstrations, persuasion, and “struggle sessions” (public confrontation of resistance) to win over local groups. Once a model proved effective, it would be extended further, sometimes through the whole country. It was called the “point to surface” method; it is still used today.

During certain periods, for multiple reasons, these efforts to find policy solutions were transformed into or became consumed by the “struggle” process. This is especially true during the Great Leap Forward and the Cultural Revolution. During these periods, Mao demanded instant success to stave off criticism of his leadership. He struck back by labeling any criticisms as “errors in political line” or “anti-socialist.”³¹ Both the demands for instant success and the intolerance of criticism are signs of Mao’s totalitarian tendencies.

The “struggle sessions” with local populations were not a dinner party. They involved ritualized humiliation and torture, especially of elites. Class warfare and physical violence against elites were integral to Mao’s conception of social change, of building a socialist society. Walder calls this one of Mao’s “bedrock” beliefs.³² It follows a commitment to violent change in Marxian doctrine that was made manifest by Lenin and Stalin.

Mao’s “permanent revolution” or “perpetual struggle” against capitalism and the selfish people it creates “required a roll call of enemy targets,” in the words of John Garnaut.³³ Totalitarianism needs an endless list of “enemies” to pursue to keep society mobilized so that institutionalization cannot take place to resist the will for total control.

One problem Mao ran into, and is key to understanding the insanity of his project, was that he needed the bureaucracy he kept destroying. Walder lists the need for a disciplined and unified Communist Party to create socialism as one of Mao’s core beliefs.³⁴ According to Walder, Mao misunderstood the underlying problem. He thought the problem was the ever-recurring evil of capitalism. On the contrary, it was the bureaucratic monopoly that he kept destroying and rebuilding.

I doubt the root of Mao’s problem was intellectual or the result of faulty analysis. From the beginning of his leadership, he was intolerant of disagreement or even autonomy among his colleagues and subordinates. As early as the Yan’an “rectification” campaign in 1942, he sought total domination. Intellectuals, people who think independently as a vocation, were attacked mercilessly from the beginning of Mao’s reign to the end. Every one of Mao’s close colleagues was purged. Kissinger is wrong to label a colossal willpower as Mao’s most outstanding characteristic.³⁵ As

with Stalin and Hitler, Mao's most outstanding characteristic is a colossal disregard for other human beings.

From the beginning of Mao's leadership, especially his signature "mass mobilization" campaigns, was a fixation on domination and control. Even though the Yan'an "rectification" campaign was based on intense psychological indoctrination, Mao later introduced an "organizational line" that utilized "patient education."³⁶ Nonetheless, the first goal was always to "unify" the Communist Party. The second goal was "molding the CCP and the masses into one."³⁷ "One" is a synonym for total control and repeatedly led to the use of violence.³⁸

Perry points out that the CCP is not a case of "classic authoritarianism."³⁹ Their use of "confrontational politics" is a different form of domination. Mao and his colleagues were "specialists" at intensifying domestic conflicts as a *means of increasing their own power*. Indeed, they created "speak bitterness" campaigns to amplify grievances and transform them into class conflicts.⁴⁰ They were specialists at it and Mao was the create bitterness commander and chief. It was a divide and dominate strategy that Mao used repeatedly inside the Communist Party, and across society generally.

In the end, Mao and his colleagues destroyed or badly damaged Chinese culture. Kissinger writes that Mao left Chinese culture in "rubble as building blocks for ultimate modernization."⁴¹ Culture, however, does not come in "blocks." Culture cannot be built like a stone wall. Culture is an interrelated system of meaning kept alive by the social and psychological patterns of a people. It goes back in time and forward into a future. It is a misleading idea to "build" a new one. It is a living organism. To destroy it, does not lead to creation, creation only comes from it. Destruction means inhumanity. In Solzhenitsyn's words, "You don't talk much in such cold."⁴²

The CCP had significant totalitarian elements right from the beginning. These elements were sometimes more dominant, sometimes less. By the mid-1950s, Communist Party cadre had "penetrated" society, in the words of Teiwes.⁴³ The purpose of this "penetration" was total control.

One cannot overestimate the role of violence in this process. "Mass mobilization" was a means to take control of society. "Class struggle" was the central means, a violent means, to eliminate resistance to "mass mobilization," that is, total control. The numbers of killed are staggering. William C. Kirby, for example, notes the execution of three to five million "counterrevolutionaries" during the Korean War.⁴⁴ Mass killing took place in China under the communists. "Class struggle" and "line struggle" were their weapons of choice and they were used against any individual or group that resisted their domination. Beyond that killing was a means to destabilize society, make it defenseless. By creating conflict, chaos, and death, the communists undermined all capacity to resist them.

The Totalitarian Mind

Mao was a brutal and selfish individual. Lynn T. White III describes Mao as “totally egotistic” and having a “complete lack of beneficence.”⁴⁵ He not only trafficked in violence as his central political means (and end), he expressed disdain for those who were apprehensive about the human cost to all the death and destruction his policies wrought.⁴⁶ As Teiwes notes, “Mao was prepared to accept enormous social, economic, and human costs in a pursuit of a revolutionary purity that he could hardly define.”⁴⁷

Beyond pursuing revolutionary purity, much of Mao’s brutality was designed to ward off perceived rivals.⁴⁸ He did not hesitate to devise policies that prosecuted millions in order to defeat a small number of competitors or a small pocket of resistance.⁴⁹ Nonetheless, ideological purity for Mao was deadly serious. His Cleansing the Ranks Campaign and follow up campaigns during the Cultural Revolution left 1.5 million dead. The line, however, between Mao’s pursuit of ideological purity and removal of rivals is far from clear.

Mao’s pursuit of ideological purity shows more than a few traces of magical thinking. Kissinger, who worked directly with Mao states, “For Mao, conception and execution were identical.”⁵⁰ Similar to Stalin and Hitler, Mao believed or acted as if ideas were more real than reality. Mao often ignored the profound and complex relation between thinking and acting because of a belief in the omnipotence of his own ideas. Kissinger saw firsthand how ideology overwhelmed and overrode practical experience for Mao. In Pye’s words, “With Mao much of politics was reduced to a faith in symbols and tolerance for obvious lies because the impossible was treated as entirely plausible.”⁵¹ The tragic nature of human action was missing in Mao because of his own self-importance.

Mao earned his charisma on the battlefield. The question arises, how did a leader disconnected from reality defeat a much larger and better-equipped enemy? Mao’s psychological problems may have deteriorated over time or his particular psychology with all its deficiencies was effective in certain situations. More importantly, why did a nation follow him to ruin? As was seen, the Communist Party top leadership did not always follow him. Zhou Enlai and Deng Xiaoping did not believe in “perpetual revolution.” The core of Mao’s reign was fighting off criticism and beating back alternative leaders and alternative directions. As it turned out, he was a master of intrigue where perhaps his paranoia and self-centeredness was adaptive.

As for why did the population love a man who hurt them so much, the answer is the same as the answer to the question why his picture still hangs over Tiananmen Square. At its core, the Communist Party and Mao are inseparable. If Mao is discredited the Communist Party falls. The Party maintains the system of lies about Mao through their system-wide

propaganda and education efforts, and for those who do not see the light there are the security services. Above all, the Communist Party maintains its control of the population and control of their thoughts through an environment of fear. The population knows somewhere there is a line in the sand and if they cross it the response could be severe. One sees this fear even in private conversations between friends. Parents teach the fear to their children.

It is not that the Communist Party was pure evil under Mao. During this period, they increased life expectancy from 30 to 70, introduced vaccinations, improved water, improved sewage, improved nutrition, lowered the incidence of disease, rehabilitated prostitutes, and improved housing and shelters.⁵² Infant mortality dropped from 175 in 1000 births to 45 in 1000.⁵³ Effective campaigns were initiated against organized crime, the drug trade, and urban and rural gangs. In the political sphere, Mao overturned a system of feudal oppression, brought peace to a war torn country, began an impressive few years of economic growth, expelled foreign powers, and restored the dignity of the Chinese people.⁵⁴ Some would say he prepared the way for the reform period and the stunning economic development that followed his death.

This is an extraordinary list of accomplishments for any leader. Has Mao earned his prestige? If he earned it, why does the Communist Party work so hard year after year, decade after decade, to keep his full record out of public consciousness? The answer is that even this extraordinary list cannot balance let alone surpass the humiliation, ruined lives, torture, policy-induced deaths, and mass (often arbitrary) killing that went on under Mao's leadership. Perhaps a heartless utilitarianism can find a balance, but if Mao's full record is seen in terms of Max Weber's *ethic of responsibility*, his primary reliance on violence for political and social change and his ceaseless disregard for "collateral damage" leave him in the moral cellar of human social history.

Mao often transferred his omnipotent thinking to the "masses," who he believed could accomplish anything with the right beliefs and right motivation. Yet, as Pye and Teiwes point out, he was distrustful to the point of paranoia. In both cases, the connection to reality is stretched to the breaking point. Ironically, "visionary" leadership can bring about great social change even when it arises from self-absorption. Inevitably self-absorption leads to social destruction.

THE CURRENT POLITICAL SYSTEM

Revolutionary Party to Ruling Party

The Communist Party leadership that sorted itself out after Mao's death in 1976 had a problem: Mao left the country and the Communist

Party in ruins. Deng Xiaoping, who emerged as the number one leader within a few years, reversed much of Mao's radical socialism. He greatly deemphasized ideology-driven politics, instead introducing economic reforms and opening to the world. In the following decades, the Chinese people produced an economic "miracle," rising to the second largest economy in the world. While backing off radical political activism, the Communist Party did not reform. It insisted on maintaining its monopoly on power.

Because Mao had done so much damage and Deng reversed much of the socialist project by introducing markets and private property, the basis for Communist Party legitimacy was far from clear. Indeed, it was scarce. At this point, the Communist Party represents itself as protector of the nation and provider of an increasing standard of living. This leaves many wondering what the first big recession is going to do to the Party's legitimacy.

The Communist Party not only insists on maintaining its monopoly on power, it claims credit for the success of market reforms, claims it can maintain economic growth, yet insists it is wedded to its socialist revolutionary heritage. It is confusing for people inside and outside China. They have also been "astonishingly efficient" at conflict resolution and economic and social problem solving.⁵⁵ This major theme in the literature received several names. Perhaps the one most often cited is Andrew Nathan's "authoritarian resilience."⁵⁶ It describes the Communist Party as highly adaptive and inventive.

It is certainly the case that the economic reforms, economic growth, foreign opening, and depleted legitimacy changed the way the Communist Party addressed the diversity of groups in society. Generally, it broadened out its mandate to serve all the people, not just the proletariat.⁵⁷ Under Jiang Zemin, for example, the middle class, the educated, nationalistic youth, and intellectuals became the Communist Party's main supporters, pushing poor urban labor, the rural masses, and Marxists to the margins.⁵⁸ Jiang's major policy statement, the "Three Represents," claimed the Communist Party represented "advance productive forces, advanced culture, and the overwhelming majority of the people." This was an attempt to update Mao's "mass line" theory, now including all the once hated groups.

One must be careful not to exaggerate how much the Communist Party changed, though it is difficult to assess because it is a moving target for a number of reasons including conflicting factions inside the Communist Party. It is known that the biggest beneficiaries from the reforms were Communist Party officials themselves.⁵⁹ Many officials became very wealthy from the reforms due to inside information, inside relationships, and abuse of power generally. For private entrepreneurs, the situation returned to the pre-Mao patronage system where entrepreneurs were given a space to operate as long as they supported the Communist

Party.⁶⁰ In other words, the Party changed primarily in terms of increased corruption.

Perhaps more than anything else, the Communist Party did not change but continued along the same track because of the greatest of all political traditions in China: the tradition of autocracy. Traditions of deference in the population and attempts by the government, real and symbolic, to demonstrate their right to rule brought the Communist Party back from the edge of ruin.⁶¹ These traditions should not be underestimated.

In the 1980s, the Communist Party under Deng Xiaoping relaxed government controls. Not only entrepreneurship, but media, arts, education, and other areas blossomed. Increasing freedom along with continuing abuse of power by the party-state, especially in the areas of wealth distribution and job opportunities, were a combustible combination. After a series of escalating protests in the 1980s, student led demonstrations on Tiananmen Square directly challenged the Communist Party's right to rule. The protests spread to 341 cities and involved 100 million people, including staff from the National People's Congress, CCTV, and the military.⁶² As is well known, on and around Tiananmen Square, the Communist Party used automatic weapons and tanks to massacre unarmed civilians. Since then the population mostly keeps its head down, retreating to areas where freedom is permitted, primarily wealth creation and consumption.

This is not to say all is calm. David Shambaugh describes China's political situation as a "tinderbox," a phrase that was used multiple times in my interviews.⁶³ Large numbers of protests, some of them big and some violent have gone on for decades. Several hundred million people are below or a little above the poverty line, many people have minimal or no healthcare, and the wealth gap has continued to worsen as the country has grown wealthier. Shambaugh points out that some groups such as youth, the middle class, intellectuals, returning students, ethnic minorities, migrant workers, and the rural population have reasons to become politically active. Other groups, such as the propaganda department, internal security departments, SOE employees, and the PLA, Shambaugh adds, benefit from the status quo. It should be added, large numbers of businesspeople and professionals do quite well through their relationship with the government.

There is also a need for moral clarity amongst the population who have been whipsawed from one set of values to another. Garnaut refers to this as a "spiritual void" that Bo Xilai, for example, built his career to address.⁶⁴ Indeed, it is the same red horse that Xi Jinping is riding now. It is a return to the original communist revolution ideals of socialism and equality. In other words, it is not only a means to re-legitimate the Communist Party; it addresses real needs in large parts of the population. Communism combined with a robust nationalism, both buttressed by

Communist Party propaganda,⁶⁵ are the large timber at the base of political ideology in China. So even though most commenters consider economic growth as the basis for Communist Party legitimacy, the Communist Party is trying to justify its right to rule based on its revolutionary heritage. This suggests a more politicized future.

THE NEW COMMUNIST PARTY

Political Culture

After 1980 with Deng Xiaoping as head of state and the reforms begun, many changes were made in political priorities and behaviors. As was shown, the emphasis on revolutionary change was dropped. However, Mao-era practices were kept though emptied of ideology.⁶⁶ A new “technocratic” style of control was implemented. Many cadre promoted into the senior ranks had engineering backgrounds.⁶⁷

The reforms prioritized economic growth. Developing inequalities were concealed. Thornton uses the phrase “adaptive authoritarianism” to capture the new style of politics.⁶⁸ She says the change in political control went from “cellularized mass organizations” to the “steel frame of . . . policing.”⁶⁹ This is a change from totalitarianism to dictatorship.

Perry also commented on the emergence of the technocratic style of politics, but she saw it merging with the revolutionary style, Confucianism, and the East Asian experience.⁷⁰ All this change, change in orientation, change in the role of ideology, absence of ideology, left the Communist Party rank and file, according to MacFarquhar, without any beliefs at all.⁷¹ Only nationalism remained active. McGregor went further and said the communist’s ideology had become a mere “ideology of power.”⁷²

The situation inside the Communist Party was indeed fraught and was to become more fraught. On one hand, cohesion, according to Waldner, between top leaders, cadres, and Communist Party members is the glue that holds the organization together. On the other hand, with ideology lost the Communist Party leadership had to rely more than ever on appointments to keep control of the organization it led. Inevitably, there was a fraying of cohesion. It was for this reason, according to McGregor, corruption was allowed: To incentivize cadre to support the system.⁷³ Indeed, the process of appointments itself became corrupt. Bribes purchased offices. This of course created its own problems, but such was the fall of ideology.

The relationship between central control and local autonomy has been a tug-of-war all through Chinese history, with a bias, despite the early and sophisticated bureaucratic achievements, toward decentralization.⁷⁴ The country is just too big and too diverse to keep under tight control,

though the communists have come the closest to doing so in Chinese history.

Nonetheless, local areas are often run like mafia organizations, with the number one leader exercising absolute control.⁷⁵ It is typical to find local governments dominating legal businesses while simultaneously running illegal businesses. Any resistance to this state of affairs can meet imprisonment, violence, and even death.

Using Power

The Communist Party, according to Nathan, employs a broad strategy to maintain their dictatorship.⁷⁶ At the time of Mao's death, with Communist Party legitimacy in tatters, Deng Xiaoping turned to economic growth to rebuild the Communist Party's right to rule. With the success of the economic reforms, the Communist Party used its newfound wealth to buy off major sectors of society, like SOE and the military. They maintained their control over the media to censor bad news and promulgate good news or at least their version of it. Special efforts were made to hide internal divisions. Autonomous organizations were outlawed to thwart any challenge to their hegemony. Following Mao, they continued to divide and repress any opposition. The internal security services have continually been strengthened.

Special attention has been paid to the nonprofit sector, out of fear it could be used to generate autonomy in the population.⁷⁷ Nonprofit organizations have faced continuous heavy regulation and harassment. Civil society, the pride of Western democracies, is anathema to the CCP, which prides itself as the single vehicle to the future societal perfection.

The Internet is particularly challenging to the Party's control of information, criticism, and organization. It has responded with a massive Internet unit to monitor the population's communications for violations of the Party's rules. Some bloggers have been put in jail. Alternatively, the Party uses the Internet to do reconnaissance on what the population is thinking and feeling as well as communicate its own views and information.

Another aspect of Communist Party power strategies involves the reforms themselves. Heilmann argues that the reforms in particular but it applies to the policy process generally, is compartmentalized.⁷⁸ While the population, through various approved organizations and approved processes, are invited to provide feedback on proposed policies, the process is structured in such a way that the Communist Party remains the decision maker at all times. Collective goals, which it defines, are prioritized.

An important aspect of the power strategy behind the Party's policy process in particular and their exercise of power generally, is the use of ambiguity.⁷⁹ The population and even parts of the government itself, face a situation where ambiguous policies, rules, laws, and statements force

people to self-police out of fear of crossing an unclear or unknown line and suffering the consequences. This practice is found only in very powerful governments where challenge is unlikely. It is a cheap but effective way to extend power. It is a form of terror in that it is rule by fear.

McGregor describes the Communist Party as having deep penetration into society, strict hierarchies, fine-tuned organization, and obsessive secrecy.⁸⁰ In other words, the CCP, following Lenin, is designed for domination. It is an instrument of repression. Importantly, when the communists successfully achieve domination (order), they create their own legitimacy.⁸¹ This is true in any country, but especially true in China where order has been in short supply the last couple of centuries.

Campaigns

Perry argues that mass mobilization has been the hallmark of state-society relations in China.⁸² Since 1949, there have been around 100 mass movements.⁸³ They remain central to Communist Party governance. There are three major types: economic, ideological, and “struggle.”

Campaigns are inseparable from Mao’s “mass line” theory. The “mass line” is a type of populism that assumes the “masses,” particularly the laboring class according to Marx, are the source of the true human values and sentiments. They will lead society to a condition of classlessness and peace. They cannot quite do it themselves and require the Communist Party to act as a sort of mid-wife. Mao’s formula was “from the masses to the masses,” with the Communist Party the organizer and interpreter in between.

That is the theory. In reality, “mass campaigns” were an instrument of power by which Mao and the Communist Party molded society. It was through campaigns that Mao could implement his core idea of “permanent revolution,” the core concept needed for total control. Without continuous movement, continuous mobilization, institutions naturally develop and become obstacles to totalitarian control.

Mao used campaigns to fight against bureaucratic inertia and resistance in the implementation of his goals. Today’s campaigns retain many of the original features: economic productivity is tied to subjective motivation, propaganda is used to stimulate emotional commitment, demands are made for sacrifice, “struggle” sessions are used, coercion is used, participants are mistreated, especially in rural areas, and corruption is common among cadre.⁸⁴

Today’s campaigns have undergone changes in purpose, content, and tone. Mao-era mass-line meetings were contentious and sometimes violent, but did allow participants to express themselves and sometimes resulted in change of direction.⁸⁵ Today the audience is passive, often participating over the Internet or television. Class conflicts are not exaggerated; they are concealed. The focus now is on social harmony, utiliz-

ing highly mediated forms of participation that keep problems and conflicts separate from the Communist Party.

The old utopian language of great leaps and quick success is gone.⁸⁶ “Class struggle” has been changed to “struggle.” The old highly emotional language of collective ideals and personal motivation has been replaced with technical language emphasizing different perspectives and rational problem solving. The focus now is on rational administration, entrepreneurial opportunities, and economic growth.

On issues that are more political than economic, the old mass-line dialectical method is gone, replaced by a conscious effort to increase social control. In general, the number of campaigns have decreased. When they are used they are usually less global, instead organized by occupation and geography to reinforce social divisions that buttress Communist Party power.⁸⁷ A global campaign was used to turn the public against the Falun Gong religious group, which included constant propaganda on television and mandatory political study sessions.⁸⁸ In the case of the SARS epidemic, a campaign was used to cover up the extent of the epidemic; once the cover up was exposed, a second campaign was used to mobilize the population for their protection.⁸⁹ More commonly nowadays campaigns are used to rein in and discipline local officials.⁹⁰ Hence, instead of the old “struggle” method campaigns are now used for surveillance, manipulation, and discipline. The main difference is the degree of mind control. While the Mao-era sought to eliminate the self,⁹¹ the newer campaigns are content to utilize a broader set of methods just to ensure Communist Party domination.

Related to campaigns are “rectification reviews.” First started by Mao in 1942 to force unification on the Communist Party by applying collective pressure to individuals with views inconsistent with those of top leadership. They remain part of the political system today. They differ from campaigns in that they are more localized. Like campaigns, they undermine the development of civil society by destroying autonomy and spontaneity. Campaigns and rectification reviews are instruments of power for the purpose of indoctrination and control.

BUREAUCRATIC SYSTEM

Structure

McGregor states that there are three central organizations used by the Communist Party to control China: the Personnel Department, Propaganda Department, and the PLA.⁹² White argues that the Personnel Department’s control over appointments is the “main glue” that holds the authoritarian system together.⁹³ The Personnel Department appoints executives to all major leadership positions across the whole society, usually

excluding the private sector. As will be shown below the struggle between political networks to control appointments is central to Chinese politics. The Personnel Department is at the crossroads of power, corruption, and bureaucratic authority.

A second organization of immense bureaucratic power is the Central Committee for Discipline Inspection. This is the organization responsible for carrying out President Xi's central initiative, the massive Anti-Corruption Campaign. Discipline Inspection has offices throughout the government. It is an extralegal organization in that it detains, arrests, and tortures independent of the legal system. McGregor notes that informants initiate 60 to 70 percent of its investigations, and often belong to rival networks.⁹⁴ Under Xi Jinping, the entire population has been invited to use their cell phones to report wrong doers. The number of arrests has skyrocketed. Yet there have been few arrests of people close to Xi.⁹⁵

Discipline Inspection is an odd combination of legal authority, extralegal practices, political manipulation, public participation, and political protection. Hence, Discipline Inspection is a precise metaphor for the Chinese polity. It appears contradictory but can be explained by the existence of unchecked centralized power operating across two inter-related but organizationally distinct systems, that is, the Communist Party and society. In the case of the Anti-Corruption Campaign, as power moves across the boundary between them it changes shape from biting to smiling. It is usually the other way around. The reversal is motivated by the Communist Party's effort to win societal support.

The third key organization supporting Communist Party domination is the propaganda apparatus. China ranked 176 out of 180 in the World Press Freedom Index in 2017. While the Communist Party has given up mind control through "line struggle" and "class struggle," all of the leaders following Mao have implemented "rectification" campaigns.⁹⁶ The "struggle" method of the Mao years has evolved into "public opinion supervision"⁹⁷ and "manufactured public opinion."⁹⁸ The Party's main goals are stifling public criticism, compliance with Communist Party controls, and channeling public expression to wealth creation and consumerism.⁹⁹ Under Xi, however, "self-criticisms" among cadre, increased ideological education in schools, and attacks on Western values have been significantly increased.¹⁰⁰

Party propaganda programs are carried out through government ownership or strict regulation of all media, organizations, and schools. Teachers and journalists must go through ideological training and demonstrate loyalty to the Communist Party. Polls are used to give biased feedback to the population that undermines group identifications, creates artificial divisions, and separates any public dissatisfaction from the Communist Party. Only Communist Party approved viewpoints can be used in the classroom, continually repeating the unquestioned centrality of the Communist Party in Chinese society.¹⁰¹

The biggest challenge to this system of information control has been the Internet. The vast increase in information via the Internet has made much more information available in conflict with government propaganda. The government has responded with massive increases in technological and human monitoring, repression, and punishment.¹⁰² Their efforts seem to be working, as the bulk of the people using the Internet do not express an interest in politics.¹⁰³

The military too is vital to Communist Party domination. In 1989, the military at first refused to attack the protestors on Tiananmen Square.¹⁰⁴ There were also rumors that Bo Xilia tried to use his relationships with military leaders to initiate a coup once he fell out of favor with the Communist Party leadership. The Communist Party now uses tens of thousands of Communist Party cells embedded in military units, down to the regiment level, to monitor and control the military.¹⁰⁵ As in all public organizations, embedded Communist Party leaders have equal rank with their military counterparts. There have been no military leaders on the Politburo Standing Committee since 1992. Upon taking office in 2012, one of the first things President Xi did was launch a purge of top military commanders, followed by a major reorganization of the military to strengthen Communist Party control.

For internal security, there is the domestic security services, whose 25 million personnel have a budget larger than the military. Like journalists, teachers, soldiers, lawyers, and judges the domestic services' first duty is to obey the Communist Party. Indeed, when they swear allegiance upholding the law is fourth on their list of priorities.¹⁰⁶ Importantly, they cannot investigate the Communist Party. In fact, local Communist Party officials run domestic security services. They are little involved in the fight against corruption. Mid and upper level positions must be held by Communist Party members. Like the military, there are Communist Party cells in all security units.

The security services use an extensive system of informants, exercise extralegal detention, use arbitrary violence, have extensive electronic surveillance, and participate in theft of foreign technology.¹⁰⁷ Up to 2014, they were able to impose jail sentences without the use of the courts. When carrying out investigations, they outrank public prosecutors. The security services are the steel frame for Communist Party domestic domination.

Leadership

The Communist Party is everywhere and nowhere. There are 45 million Communist Party cadres; 4.2 million Communist Party grassroots organizational units; 650,000 "leadership cadres" that occupy the top positions across the party and state; and 3000 county-level Communist Party bosses. The Communist Party controls China through this organiza-

tional structure and chain of command. The Communist Party, however, is not registered as an organization.¹⁰⁸ It exists completely outside the legal system. Existing everywhere and nowhere is a form of power; it can attack easily but short of rebellion, it is difficult to attack.

Three hundred people, according to McGregor, run this everywhere and nowhere, massive bureaucratic control system.¹⁰⁹ de Beaufort, back in 1978, said it is run by 12 people.¹¹⁰ Nowadays it is common to hear three to six run the country, or Xi Jinping runs it by himself. People say the latter only half-jokingly. Upon taking office, Xi expanded the number of “leading small groups,” quasi-formal bureaucratic organizations that are used to over-ride the formal bureaucratic structure. Xi uses these to “consolidate power.” Cheng Li reports that Xi holds 12 top posts.¹¹¹ It appears that eight are chairs of leading small groups. Under Xi, 118 of 181 reforms came out of the leading small groups.¹¹²

Culture

The government bureaucracy is generally described, similar to India, as overstuffed, having poor skills, an unclear division of labor, and much duplication.¹¹³ Importantly, Heilmann and Perry argue that the real division of labor is primarily between different command levels.¹¹⁴ In other words, organizationally and functionally the division of labor is unclear, overlapping and conflicting. The division of labor is not organized according to functions. The fact that it is organized according to command levels shows the lack of formalization, exactly the essence of Weberian bureaucracy, that is, machine-like organization.

Division of labor based on command levels shows the centrality of persons in Chinese bureaucracy. Chinese bureaucracy is stunted in a Weberian sense. The strong Confucian emphasis on interpersonal hierarchical relationships competes with and over-powers formal rationality in Chinese organization. This is one reason wild swings of direction are common in Chinese politics. Concentrated power in a single person at the top of a hierarchy means changes of mind or replacement of the top person can easily lead to often and significant change.

The division of labor based on relationships between command levels gives the government, in the words of McGregor, a “cell-like” structure.¹¹⁵ Secrecy is pervasive in this type of structure because the lack of formalization and the centrality of individual relationships means that much of the interaction between officials and levels is based on personal interests. Personal interests are always important in human organization, but the lack of formalization and rule following in Chinese organization fuels personal ambition and the strategies to pursue it in a situation of like-minded competitors.

It is not surprising then that the policy process is “highly prone” to corruption.¹¹⁶ Powerful individuals battle to push through their own

interests against the interests of other individuals and groups. In the process, false, half-true, and biased information make decision-making treacherous. Top officials end up isolated on top of huge hierarchies trying to ferret out what is going on as different individuals and groups put out misleading information as smoke screens to accomplish their goals. In this situation of false information, conflicting interests, and constant change, competition between groups is intense and treacherous. Garnaut calls "collective ownership" the first rule of survival in Chinese bureaucracy.¹¹⁷ On one hand, the division of labor based on command levels leads to isolation, treachery, and constant change; on the other hand, loyalty is the key virtue as each sub-organization is only as strong as its own chain of command and network.

Networks

Since rule following is weak in China and hierarchical relationships are strong, important decisions are battles between silos or pyramids. In this type of organization culture, it is of the utmost importance to win top positions or get your favored person into a top position. The battle over filling positions thus becomes central and fierce in this type of system. To maximize one's chances to win promotion or see one's favored candidate win promotion, one must build or join a network. A network or pyramid is the essential organizational form in this type of system, battling other networks to appoint insiders to top positions and in this way increase control over organizational decision-making and rewards.

Networks are based on and developed by political alliances, personal relationships, personal ambition, organizational position, blood ties, school connections, regional origin, and personal popularity. Often money and power are involved in that a successful network has pork in one form or another to distribute to members. Cheng Li particularly emphasizes that successful leaders develop "clients" or subordinates that follow them through their career path or join them later as they achieve higher positions, providing a loyal and supportive team under the leader.¹¹⁸

Importantly, these relationships and the networks they form, in a hub and spoke structure, are often secret. Heilmann calls them "hidden hierarchies."¹¹⁹ This maximizes their power because defense is impossible if they are unknown. Thus, information on relationships inside competing networks is most valuable. Sabotage and the planting of false information are common.

Garnaut describes Chinese politics as "a world of staggering brutality, corruption, hypocrisy, and fragility."¹²⁰ Indeed, the rule of law in the form of corruption investigations are themselves corrupt, typically used in power struggles between factions.¹²¹ It is very common for Chinese to explain this phenomenon by the fact that all officials are corrupt so it is easy to prosecute any one of them when they become vulnerable. The

cost to society of this use of “law” in power struggles is significant. It undermines development of the rule of law.

Fighting between factions leads to purges once one side gains the upper hand. Nathan refers to purges “as old spoils-like practices.”¹²² In other words, once one faction is able to grab the top positions they remove all of the opposing faction, commonly sending many of them to jail for various forms of corruption in order to reap the benefits that a monopoly of power makes possible. Heilmann points out that these battles over spoils, power, and policy are another reason there are abrupt changes in political direction: The winning team has different interests and priorities and with mostly unchecked power goes off in a new direction.¹²³

The Xi Regime

Writing about the early 2000s, Western observers believed that the Chinese political system had turned a corner and was moving towards institutionalization of political processes, away from the smash and grab politics of factions and personalities. Nathan noted factions were “politically balanced”¹²⁴ and Gilley observed all the factions received a “fair share of appointments.”¹²⁵ The consensual period did not last long.

Xi Jinping received the top position in 2012, probably by a dozen or so current and past leaders. He and his colleagues believed the Communist Party was in a dangerous crisis.¹²⁶ Communist Party cadre were not loyal to the Communist Party, only out for themselves and corruption had reached epidemic levels. Xi immediately launched a huge anti-corruption campaign that had purge-like qualities. Particularly noteworthy and surprising, he hit the People’s Liberation Army hard, which many noted was high risk for him.

Shortly before Xi took power, MacFarquhar noted that any attempt to address the corruption problem would amount to another Cultural Revolution, implying a potential return to the height of China’s totalitarianism period.¹²⁷ Indeed, raising concerns that some type of “cultural revolution” was in fact underway, Xi promoted a large number of his faction, the “Princelings,” so named for their blood relation with founding families of the Communist Revolution. The Princelings received not only a high share of top government positions. They received an even higher share of military positions that due to the purge had recently become vacant. Importantly, Xi’s massive Anti-Corruption Campaign is going light on his fellow Princelings, even though the Princelings are perceived by the public to be deeply involved in corruption and capital flight.

Xi arrested Zhou Yong Kang, a previous member of the Politburo Standing Committee, a very aggressive move, for excessive self-dealing. He arrested Bo Xilia, a Princeling, and Xi’s most important competitor for leadership of the Communist Party. He also went after the populist fac-

tion, closely associated with the Communist Youth League. The populist faction was the largest faction competing with the Princeling faction. Xi made many arrests of populist faction members, including Ling Jihua, a top ranking official, leaving the faction decimated and all but removed from power.

The arrests and faction smashing were just two actions of many that suggested Xi was returning to the Mao-era playbook for governance. He concentrated power in himself, increased party and ideological discipline, and promoted a “cult of personality” around himself. Heilmann notes that restarting self-criticism at Communist Party meetings, increases in aggressive propaganda, use of moral and ideological criteria for promotions, and the use of the Internet for public shaming of those who do not get with the program all restart Mao’s “mass line” system of domination.¹²⁸ This included a new round of attacks on foreign influence, including broad scale attacks on Christian churches.¹²⁹ All this while simultaneously developing the Belt and Road initiative to increase foreign trade and involvement, which it would seem, contradicts the crackdown and repression.

It was in the middle of these changes that I arrived in Beijing in July 2015 to begin my fieldwork.

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Part II

Field Data Analysis

THREE

Patterns in Chinese Politics

Confucianism's filial piety-based social order lent support for dictatorship in the political sphere and like all political systems with less than more balance of power, eventually result in abuse. The Leninist dictatorial model that the Chinese Communist Party (CCP) erected on the dilapidated Confucian heritage continued the dictatorial approach to political power. Such is the case today as Xi Jinping warns of mortal threats, internal and external, surrounding the Communist Party as he attempts to stiffen the Party's internal discipline, solidify its ideological foundations, and strengthen its policing capacities.

Whether this transition in reverse will work is doubtful as the world inside and outside China continues to change. In any case, the future is unknown. What is known or can at least be studied is the past and present, where more data is available. As President Xi tries to get things shape, the population, never over-burdened with insight into what is going on in its government, tries to make sense of where the country is going, what the rules of the game are, and what in any case should be going on as best as they can make out.

In this chapter, data from the business and professional classes is presented and analyzed in regard to their perceptions and opinions of China's political system. The data lies in three main areas: the contours of dictatorship and why it is needed or not in China, aspirations for democracy and whether it is appropriate for China or not, and China's uniqueness and what particular requirements this uniqueness entails for political organization. The data addresses how the current situation evolved from the past, what forces are at play in the present, and whether the situation is good or bad and what in any case can be done about it if anything for this ancient country of 1.4 billion people.

My analysis will focus on the tragedy of Confucianism: How did the political elites commandeer a great moral system to support their monopoly on power while keeping the vast bulk of the population divided and dependent? Communism, though a vastly different form of autocracy, continued the divide and dependent model that, during the Mao-era social transformation and under conditions of modern mass organization, became a totalitarian state. With this background, I analyze the current data to evaluate the pre-totalitarian forces at play in China today.

DICTATORSHIP

Dictatorial Complex

A 40-something Chinese journalist working for a government owned media outlet, argued that China needs religious diversity to free itself from its subservient ways. Religious diversity would transform society. As it is now, he said, the “dictator complex” is China’s religion. If the Chinese received the vote, they would elect Xi, he said. All peoples need something to believe in. The Chinese believe in their leader. The Communist Party *is* their religion. Xi is their religion. When the Chinese received communism from the Russians, one ancient dictatorial culture was passing a new dictatorial organization to another ancient dictatorial culture. Russian fiction has had and still has a huge influence on Chinese intellectuals. More than any other literature, he said.

This is why, the journalist continued, the control of religion is so important to the Communist Party, as it was to the Soviets. Just recently, the Russian Orthodox Church is coming to China by direct order of Xi and Putin. Russia and China are both “god-countries” that look for god in their leaders. It is in their “genes.” Indeed, Putin, a Chinese professor of marketing said, is very popular in China. People will accept dictatorship if they feel threatened.

Discussion

Both Xi and Putin are popular in China. This is not because they are seen as gods or god-like. It is because they are seen as powerful and providing order and wealth. If either of these perceptions change, their popularity will change too.

The journalist makes some good points. The Confucian heritage has left China with a “dictatorial complex.” I do not think the Communist Party is their “religion.” Most people in China are not oriented to communist beliefs, but Xi is very popular. It is very common for the Chinese to trust their leader, to think he is good.

The journalist wants to break this pattern. His solution is religious diversity, but China does have growing religious diversity. It is not obvi-

ous that this has led to a decline in the dictatorial complex. China has always had religious diversity. The religious sphere existed alongside the political sphere, was subordinate to it. Religious diversity did not challenge the “dictator complex,” because traditionally religion was used for self-help in China, not moral direction. Now the government manages religions in the same way they manage everything else. The dictatorial complex is rooted deep in the paternal personal culture reinforced on all sides by indoctrination and the threat of force.

Legitimate political authority in China provides public order and economic growth.¹ If the leader/father provides this, he will receive support. The fact that so many successful Chinese leave China, however, shows that this social contract is far from effective. Many Chinese are not confident that their safety and wealth are secure. In fact, they fear the government itself. Legitimate authority is not strong among this part of the population.²

Collectivism

The Communist Party is the motor for Chinese society as a whole. The emphasis is on whole. The individual must fit in. Another journalist, this time the editor of a major government owned newspaper, told me, “If a big river has water, the small rivers will flow to it.” The Communist Party, he said, wants to promote the individual, but they put the collective ahead of the individual.

President Xi, the editor continued, is promoting the “China Dream” for individuals, but this dream is different from the American dream. China must be strong as a whole. The Chinese have learned this from history. In the past, the government was not able to protect the population. The government seeks “collective happiness,” not individual happiness. They look after “collective interests.” This is different from the American dream. Sometimes this requires the loss of individual rights, he continued. The population accepts this. My father, he said, believes it very strongly. The young, however, are taking a wait and see attitude.

Another Communist Party official, this one in his thirties, told me the characters for family and state are related. They are “part of each other.” In other words, the state is seen as a big family. This implies the government is the father and the population are children.

An example of government acting as parents during my year in China is President Xi suddenly mandating football training in schools nationwide. Another example can be seen in the fact that many commercial flights are cancelled or delayed because commercial flights are allotted only 30 percent of China’s air space. Seventy percent goes to the military. A third example is that until recently the cars of officials had special license plates that allowed them to ignore traffic rules.

An American executive living in China for several decades pointed out that the widespread participation of the population in government “campaigns,” shows the population accepts these arrangements. China is not organized around the rule of law. On the contrary, the government often uses public campaigns (for example, the anti-spitting or pro-exercise campaigns) to address social problems. The fact that these campaigns are often successful, shows the population respects the government otherwise their participation would not be forthcoming, he said.

Discussion

To say the Chinese are “collective” certainly does not mean they are the same. Like all humans, each one is a unique individual. In China, “collectivism” means that the individual is more focused on relationships, especially key relationships, than self; or defines self through relationships.³ This is different from the government’s insistence that its priorities take precedence over the individual’s interests. The former is a cultural trait, the latter a political practice. In fact, the two are in conflict, Chinese culture emphasizes relationships and Chinese politics emphasizes domination. The two belong to two different spheres that are related yet remain autonomous.

The cultural system is more stable. Chinese culture has emphasized relationships for millennia. The political system is more fluid, more related to individual leaders. For example, President Hu reportedly told the government “don’t mess around” with the population, that is, do not disrupt their lives. Mao, on the other hand, forced the population to sacrifice everything for his “collective” goals.

The editor uses the trauma of the Japanese invasion to justify the government’s prioritizing its own goals, which he identifies as “collective interests.” This will lead to “collective happiness.” The latter appears to mean economic and military power. The individual’s first responsibility is to make the nation strong.

The editor notes his father’s generation accepted this program, though the jury is still out with the current youth. Tellingly, he does not mention his generation, only the past and the future. The missing link in the chain implies a fantasy about the future. There was already change from his father’s generation to his own. His generation is an economic generation. The door opened to wealth creation and his generation rushed through it. The fantasy is the young will get more in line with their grandparent’s generation. It is a wish to return to collective commitments.

To say the state is experienced as a family and the president its father, is to say feelings of filial piety are transferred to the state and the president. This is an important source of the state and the president’s legitimacy in China. It is the Confucian legacy. The family is of great importance in Chinese culture and the family analogy permeates relationships

throughout Chinese society.⁴ The state is a central part of this cultural geography.

For campaigns, it is not that the government limits the rule of law in the face of societal demands. Outside of activist lawyers and some public intellectuals, there is not strong demand for the rule of law from the population.⁵ Campaigns are legitimate. They demonstrate the population's willingness to obey the government. In punishment campaigns like Xi's Anti-Corruption Campaign, success of extralegal methods demonstrates the personal power of the leader and his ability to dominate the political system. In this case, the dictator generates dictatorial validity by dominating rivals. Additionally, in this case, he strengthens his popular support by attacking corruption. The fact that it remains unrecognized that the dictatorship created the corruption it is destroying, shows the population remains under the sway of good emperor myth.

Top-Down Culture

The parental or hierarchical culture is not just in families and political relations. It permeates Chinese culture. Friends, classmates, and even relatives, according to a Chinese professor of finance, think of each other hierarchically in terms of who is smarter. Thousands of years of elite bureaucrats, the source of ultimate wisdom, he said, create a template that is widely used in Chinese society today to define relationships. A Chinese Singaporean consultant, who has worked with mainland Chinese organizations for years said, "face in China is about ego." Having face means, "I am above you, more powerful than you; see I can make decisions."

There is a lot at stake in hierarchical positions, said an American professor who taught in Russia and China for years. Power holders are ruthless in these countries because "hierarchy is the culture," that is, the defining framework for social relations and personal identity. One challenges authority at great risk, he said.

Discussion

Chinese culture is hierarchical and elitist, not just in government-governed relations, but in society generally. Not just in the family but in relations between friends. Face is not just status and self-esteem, but also hierarchy; and hierarchy is power.⁶ This ancient context not only undergirds Chinese political culture, it is where the communists have pressed their central value of equality.

The fact that Chinese politics is known for its ruthlessness and violence shows that hierarchical culture is far from stable or even legitimate in an internal sense. Hierarchical culture has a strong ritual or external dimension. People are expected to *show* respect where it is due, but out-

side small groups the harsh nature of politics implies that the respect does not have deep moorings. Underneath the calm politeness of giving face, is the rough and tumble world of ruthless competition and ambition. In other words, Confucian hierarchy remains but Confucian moral controls fade as social interaction moves beyond small groups.

Power Is Personal

The top-down culture means the person at the top determines the direction and tone of governance. A 50-something Chinese businessman said officials only work in groups, so it depends who is in the group. It does not matter what the government says. It does not matter what the rules are. It matters who is in control. The country is run by the personal preference of leaders, not by the rule of law. For this businessman, working with the government means paying the right people to get what he needs. He says it has always been this way. A Chinese professor of management added, this is why people care about *who* is in power, not about the rules or the institutions within which power is supposedly constrained.

The structure of government is actually set up to accentuate personal power. Very few people or departments are independent. A Chinese executive said the courts and congress lack independence. In China, the judge reports to the mayor or to someone. Even local education boards and the local police chief are appointed. There is no independence in this system. At the top is one person. It is a strong top-down system.

Discussion

China is an old society. The tradition focusing on who is in power is old as well. It is a pre-modern system. It is based on relationships, not on rules. Families, kin groups, friends, workmates, associates of every kind form networks to pursue their interests. This puts strict limits on individualism/equality/rules because relationships/groups/networks are central. In China, rules tend to be general, providing maximum flexibility for those in power. Without clear rules and reliable application, political intervention and corruption are the result.⁷

With the communist takeover, the Leninist one-party system took tight control over Chinese society. The party organization is a bureaucratic organization, based on hierarchically organized offices defined by rules. In China, however, bureaucratic rationality was compromised by systems of informal relationships. The two systems are inseparable. The Chinese executive is pointing out the personalization of office, how rational (impersonal) structure is dominated by personal relationships. When a person with a powerful network enters an office, he is not primarily constrained by the rules defining the office, but by the strength of

his network vis-à-vis other networks. As long as the network can protect the individual from competitor networks, the incumbent can maximize (and expand) the formal powers and resources of office. This is an important reason why Chinese government and society are so fluid.

The Dictatorship of the Communist Party

Almost all commentators said the Communist Party's number one goal is to stay in power and they would do anything to accomplish that goal. A Chinese professor of political science said the Communist Party would never institute the rule of law because they would never accept subjection to it. They will use law to control others.

An American executive who lived in China for decades said the Chinese people have much freedom as long as they do not try to overthrow the Communist Party or criticize the government's policies on Taiwan or Tibet, for example. He had expected the "opening up" of China and exposure to the outside world would change China, but it did not happen. It did not become more liberal. It will not become more liberal, he said. The Communist Party will never change fundamentally. Control is an existential issue for them. They will always try to control the narrative, events, and the Internet. They offer the population consumer products and economic development, but not political participation, he said.

A Chinese Hong Kong executive said China must develop the rule of law if it wants to continue its economic development and align with the outside world. The crucial question, he said, is whether the Communist Party is willing to forgo its monopoly on power. If not, China will always be different and less developed than the developed economies.

A successful Chinese businessman who returned to university to study Confucianism in mid-life to search for a meaningful life, described the Communist Party as a "beautiful cypress tree with no roots." A small wind could knock it over, he said. It may last another 100 to 200 years or it may fall down today. If it manages to stay in power, it will slowly give the population more rights to reduce tension. It is "completely hollow," it has no beliefs. It will do whatever allows it to keep power. Currently, the Communist Party is stealing money from the businessman, he added.

At a dinner with a group of American executives who have lived in China for decades, the Chinese government was described as "a combination of GE and the Mafia." The government is a huge bureaucracy involved in many industries, but at the top is the Communist Party that runs the whole thing for itself and its core families, they said. The Communist Party skims large amounts of money out of the economy for itself through a combination of power and violence.

An American journalist who lived in Beijing for a decade reporting on the government agreed the Communist Party will never give up power voluntarily. Their first goal is to stay in control, he said. There is no sign

of a revolution. It takes a lot for a revolution—gross mismanagement—and that has not happened.

Discussion

The political science professor's statement that the Communist Party will never submit to the rule of law, only use law to control others is the classic definition of dictatorship in Montesquieu's sense. It is an important way the Communist Party still functions in the imperial tradition. In the nineteenth century, there were two classes, the Han underclass and the Manchu superior class. The People's Republic is not a republic. The Communist Party's separate status is a mixture of Leninist dictatorship and pre-modern dynasty. The one common link is bureaucracy, but both political traditions, Leninist and dynastic, because of power concentration, personalize power and undermine rationalization under rules.

It is an interesting question whether China can continue to develop economically with a compartmentalized and/or limited rule of law. In addition to providing a standard of fairness and thus human dignity, the rule of law reduces business uncertainty by enforcing contracts and supporting long-term planning and investment. It appears the Communist Party is trying to provide the latter without applying law fully to the political system,⁸ but it is exactly the rule of law that must confront government corruption and rule breaking. It thus appears the Communist Party is willing to limit economic growth when it requires limits to their power. This is an important meaning of "socialism with Chinese characteristics."

The view that the Communist Party is not committed to communism is common among Chinese businesspeople. For good reason, since Party members have aggressively pursued their own wealth. President Xi is trying to turn back the clock to a time when Party members were more disciplined by communist beliefs.⁹ At this point, it is much easier to see he has instilled fear than belief. It appears Xi is creating a double reality. On one hand, economic growth has and continues to create a great deal of wealth (and an equally large income gap). The Party has based its legitimacy with the population on the former. On the other hand, he is trying to return the Party to its communist roots. One might say this contradictory configuration is the dream part of his "China Dream." Going forward with economic growth and backward with communist purity surely will not work since they are contradictory. One or the other or both will fail.

The analogy that the Communist Party is like a combination of "GE and the Mafia," is consistent with my broader database and much of the literature.¹⁰ The so-called "Princelings," some of the children and grandchildren of the first generation of Communist Party leaders, hold top positions in the government, industry, and military. These families are

often very wealthy. They are the core element in the “mafia” system. Through status, connections, wealth, political power, and violence they protect their position. This shows the pre-modern role of families and violence in the Chinese government. As the government tries to modernize the economy, the political system in some important ways remains akin to that in a patrimonial (feudal) social system.

Balazs describes the history of China as the history of peasant revolt.¹¹ Revolts arise from the population’s impoverishment, usually famine. Today most of the population is not impoverished and the level of protest is more than less contained.¹² A key question is what happens if the economy takes a significant downturn. In anticipation of this contingency, the Communist Party keeps an ongoing threat elimination program in place. This involves arrests of activists, strict controls and monitoring on Internet communications, strict controls on education and media, strict control on NGOs, and so on. The government’s suppression force and the suppression they carry out is massive. At this point, it over-matches any resistance. There is no sign of significant resistance on the horizon. From the Soviet experience, however, we know this view could be misleading.

No Choice but Dictatorship

Many Chinese feel that China is so unwieldy and prone to chaos that a strong central authority is required. The Chinese professor of political science said that Deng Xiaoping did not trust the masses. Despite Deng’s talk of political reform, he believed the Communist Party should maintain its political monopoly. President Xi is the same, she said. I will say more about the Chinese fear of social chaos and its relation to governance below.

A 70-something Chinese Hong Kong businessman with manufacturing operations on the mainland, mentioned that even though the forced one-child policy was cruel, without it the population might now be an unsustainable 1.6 or 1.8 billion people. He asked, what is the answer? The policy is cruel but without the policy, other cruelties would develop. It is difficult to do right, he concluded.

It is very common to hear from mainland Chinese, Chinese living in China but originally from outside China, and from Westerners who have lived in China for decades that China requires a “strongman.” A Chinese Singaporean doctoral student studying the mainland political system said without strong centralization China fragments. This is a reason why the population supports the Communist Party; they integrated and stabilized China. A Taiwanese executive around 70 years old having worked in China for over two decades said the same thing. He added it was a good thing Xi is a strongman because otherwise he would not survive “the treacherous competitors” in Chinese politics.

Discussion

Is it true that China is prone to chaos? This seems an exaggeration. First, this is a common refrain heard throughout history to justify the suppression of the many by the few. Second, when one looks back over the past two hundred years of Chinese history, what stands out is a failure of leadership, not rebellious masses. Third, given China's geographical size and cultural diversity, the central government never did and never could control the whole country without considerable compliance by the population. China is not normally a seething bed of unrest, but an unusually tolerant population.

It is true that social life requires trade-offs, but to assume that there is only one approach to them is wrong. Forced abortion might have been avoided by incentives, financial or otherwise. The Communist Party chose the one-child policy because it followed from their martial mentality and the bureaucratic system they developed to enforce it.¹³

All political order fragments without a mechanism to maintain it. The strongman mechanism is one possibility. It reflects the Chinese tendency to idealize the father, deeply rooted in centuries of emperor worship and Confucian filial piety. These cultural patterns encourage the population's desire for a strongman. Yet the idealization does not hold within politics, where competition is "treacherous." Confucianism both creates and then tries to contain the conflict created by its idealization of hierarchy. It is contained more effectively in the general population than the governing class because typically the latter enforces it in the former. When the Communist Party turns enforcement on itself, as it is doing currently with the Anti-Corruption Campaign, it demonstrates the dearth of cultural commitment in the center.

As for the Taiwanese executive and many mainland and Western executives, they know strong political leadership means a stable environment for the pursuit of business profit. I heard the exact same sentiments from these groups in Shanghai in 2007 and 2010. Many mainland executives, however, have second passports and foreign executives could leave at any time, so for either group the dictatorship does not weigh heavily on them. Money is all, other than that exit plans are available.

Hence, the business and professional classes, most of my interviewees, for the most part benefitted from the government's pro-business program. Can the government count on these groups for continued support or at least silence? Yes, as long as the benefits outweigh the costs of corruption, pollution, unsafe food, and so forth. Will these classes someday seek political participation? Not if it will jeopardize their wealth. The current social contract rests heavily on wealth creation. Wealth, however, is a fragile foundation given the vicissitudes of economic systems.

Cannot Imagine Another System

Despite having traveled, worked, or attended university in the West, many “middle class” Chinese say they cannot even imagine another political system in China. A 30-something Chinese manager who was educated in the West, worked in Singapore, and returned to work for the family business said,

It is hard for Chinese to think the West is better. For now, the one party system is most proper for China because it has lasted many decades. I cannot imagine a second party. I cannot imagine China functioning like the U.S. China had one leader from the beginning. It is best not to change all the rules.

Her parents and grandparents are Communist Party members. Despite all they have been through, “they still believe the Communist Party wants to do right for China.”

A 40-something Chinese executive in the investment management industry echoed the view that since the Communist Party has lasted this long there must be a reason. He said his Buddhist beliefs lead him to this conclusion. He adds, “China’s culture, political structure, history, foundation, origin, repetition, and religions support the one king policy.”

For many Chinese, the Communist Party seems immovable. It is difficult for them to imagine its removal. The 30-something executive hoped to some day have a “good” political system, but for now believes the Communist Party is the “best we have.” Many Chinese did not think about political change. They accept hierarchy, respect hierarchy. Their thinking was more self-interested. In the words of a Chinese professor of finance, people do not think about recurring government corruption only how to benefit from it. In the words of the American who lived for decades in Russia and China, authoritarian culture can be cruel so people cheat to escape. It is survival. You must do it.

Many Chinese are attracted to dictatorial culture. The choice for them is not so much between dictatorship and democracy, as between good dictatorship and bad dictatorship. A Chinese professor of political science pointed out that currently some Chinese want to return to the Mao period. All they know is now and the Mao period and they are not happy with now. Many people, she said, support the Communist Party. This is evident on Internet discussions. Participants are both educated and uneducated. I too have seen videos of several pro-Mao marches on the Internet and it is common to see Mao-era songs sung by large groups in city parks.

Discussion

The Chinese have lived under a dictator for over 2,000 years. Their history has been either dictator or chaos. The dictator model is engrained

deep in their collective unconscious. The Communist Party has not changed this. What the Communist Party has done is intensify the mental conditioning that leads the population to embrace the dictator model.¹⁴ The executive's parents and grandparents, who lived through the Cultural Revolution and many other Communist Party created disasters, cannot think critically about the Communist Party. This level of mind control is still an important part of the Chinese political environment. Even in the executive's case, though third generation and having studied in the West, she finds it difficult to think critically about the Communist Party.

The Chinese professor of finance describes a generally corrupt population. Is this accurate? To a considerable extent it is. Many Chinese will use relationships and networks to get unfair advantages, like getting a doctor's appointment ahead of others or giving gifts to a teacher to get more attention for their child. Fairness is not a value that has a strong presence in China outside personal relationships. The American says the lack of fairness is the result of a harsh political system. Either one takes advantage where one can or suffers the consequences. It is a matter of survival, not morals.

The return to a Mao-style leadership and values is important. Bo Xilai built a national following organizing Mao-era singing and the promotion of Mao-era values. The Communist Party was wary of his populist appeal and saw it as a threat. Mao, during the Cultural Revolution, had the power to destroy the Communist Party. Yet Xi too has moved in the same direction, toward a cult of personality, political campaigns, personal control through small groups, and increasing indoctrination of communist values. All Mao-era practices. This is using Mao and the Mao model to solidify the population's support. Xi is claiming he is not corrupt and will punish cadre corruption. It is a romantic view of leadership that finds support in propaganda, the good emperor mythology, and the loss of historical memory.¹⁵

The Cycle of Chinese Political History

In Beijing, Hong Kong, and Singapore I heard about the "cycle of Chinese history." A Chinese political science professor describes it: a crisis occurs; to stay in power the government gives the people more freedom to create wealth and boost their morale; as society grows richer a tension develops between private wealth and government over control of the newly created wealth and the increased power generated by it; the government increases taxes and various forms of legal coercion to weaken society and strengthen itself; the economy starts to tank; after a few go rounds of a downward spiral the population revolts and overthrows the government. A new dynasty takes over and the cycle begins anew.¹⁶

Right now, according to the professor, the cycle is at the peak of wealth. It is starting to decline. The government will blame foreign inter-

ventions. That is what Mao did. This made Mao a hero, she said. A Chinese Singaporean executive in his late forties said most people think the current situation is comparable to the Qing dynasty in the seventeenth century. At the time, he said, China had the biggest economy in the world. This is what China is all about, he added, nationalism is very strong. Morale is still going up. The Cap is a dynasty too, and it is not in decline.

The Singapore executive said the Chinese are aware of each emperor. The only area of debate, according to him, is at what stage of the dynastic cycle is the Communist Party? A Taiwanese journalist living in Hong Kong said escaping the cycle is not an option for the Communist Party because their Marxism-Leninism has merged with Confucianism. They have become a very Confucian party. For thousands of years the dynasties ruled with an iron fist, but also with the Mandate of Heaven. There have been 24 dynasties. They boom, become corrupt, and fall. The Communist Party will not escape this fate, he said.

Discussion

I believe the “cycle of Chinese political history” is a myth, because history does not repeat itself except on abstract levels where the level of accuracy is only helpful for reflecting on general themes. More to the point, Chinese are using the cycle myth to provide order and explanation in a time of rapid social change under conditions of political secrecy. In this situation, the cycle myth can be reassuring.

The fact that the myth is repeated in Hong Kong and Singapore where social change and especially secrecy are less an issue than on the Chinese mainland, shows the importance of myth in Chinese culture generally. Perhaps it expresses awe for the achievements and duration of Chinese civilization. In any case, the cycle myth assumes an eternal self-creation in the face of continuous change. Anxiety over uncertainty, loss, and confusion is assuaged. It assures the downhearted that new highs always follow lows and the cynical that retribution is around the next corner.

Using the cycle model, the professor and the executive have reached two different conclusions on China’s historical position. This is what the model enables: Expression of one’s feelings about China’s development, positive or negative. The executive’s use of the model shows a tremendous pride, shared by many mainland and diaspora Chinese, that China is rising and will resume its rightful place among the world’s great nations. Excitement about future greatness is an effective means to diminish the memory of past disaster and the pain of present hardship.

The Taiwanese journalist says Marxism-Leninism will not escape the cycle because it has merged with Confucianism. The cycle model is the child of Confucianism because Confucianism justifies one-man rule by putting moral limits on it, but it does so at the expense of law. Eventually

some leaders fall short of the moral requirement, and the cycle propels forward. Marxism-Leninism does not escape this dynamic because, like Confucianism that it incorporates in China, it too has impossible moral requirements. President Xi's dictatorial reboot is right on schedule. He wants the power back. It is in this sense, as a mental model, that the "cycle" is real. Xi has assumed his role. The next act brings liberalization or rebellion. It is interesting to note that the good emperor myth is not in the cycle model. The model propels forward by self-interest and the balance of power. The tragedy of Confucianism is that its moral teachings often both prepare and displace its moral failings in practice.

PERCEPTIONS OF DEMOCRACY

Cannot Have It

Ironically, many of the Americans I spoke with in China believe that China is socially incompatible with democracy. An American CEO living in China for decades said he feared a democratic China more than he feared a dictatorial Communist Party. He thought the Communist Party did some good. While he was not in favor of communism, he felt a more socialist China was better for development than a democratic China. Though he added, China needs the rule of the law.

An American investor and entrepreneur living in China for over two decades said that "300 guys" are running China. Their number one fear is the 1.4 billion others. Human rights are horrible in China, he continued, but once the 300 guys are no longer in charge and are replaced with a democratic system, his Chinese journalist friends say, "we are fucked" and they are leaving. All other forms of government than the current one are "fucked," he said. The current system is as good as it gets to manage 1.4 billion people, he concluded.

An American business professor, teaching in China for the last five years, said underneath the surface China is completely chaotic; people do whatever they want. The central government cannot control party secretaries in the cities. Confucian morality requires a perfection no one can achieve. They say "the hell with it," he explained. China is not ready for democracy.

Discussion

Three Americans raised in a democratic culture think China cannot become democratic. Like many American executives in China, the CEO admires the dictatorship's efficient decision-making. He fears the chaos of contending interests that democracy creates. As long as the dictatorship is pro-business and more or less fair, he prefers it above democracy in China. Importantly, however, he contradicts himself when he wants

the dictatorship *and* the rule of law. The contradiction expresses a fantasy where the dictatorship efficiently creates a profitable business environment but the rule of law keeps it from exploiting its dominant position. It is exactly the nature of dictatorship to put its own interests first.

The colorful language of the American investor expresses a view that a dictatorship is needed to rule over the uncontrolled animal spirits of the masses. Without the firm hand of dictatorial repression, complete chaos would result. For him, it is simply a fact of population size. The American business professor too sees chaos but instead of seeing it as the result of population size, he posits the old view that the Chinese people are rule-less and require a strong hand to keep them in check. He says the reason the Chinese are rule-less is because Confucian moral ideals are unachievable, but ideals are never "achievable." This hardly explains Chinese "rule-less" behavior.

All three Americans think democracy in China would lead to chaos. China *needs* a strongman. This is different from the view that Chinese culture *is* dictatorial and has not or cannot get beyond this legacy. The Americans fear open debate, contending interests, in China. Their argument is China will only get worse with democracy. Many educated Chinese hold this view. Like the Communist Party elite and the upper and upper middle classes, the Americans benefit from the system the way it is. They do not look at it from the perspective of the have-nots, the migrant workers, poor rural population, or the urban disenfranchised. Could democracy improve the lives of these people? If one considers death by unnatural causes and human rights generally, it is hard to believe that democracy would produce a worse record than the first 50 years of dictatorial communism.¹⁷ The three Americans and many educated Chinese are primarily making their evaluations based on current levels of economic growth, of which they are some of the main beneficiaries.

We Are Not Ready

Most people speaking about the possibility of democracy in China say China is not ready for democracy. The reasons they give are many. An American attorney who has worked in China for decades and who works to support the development of the rule of law in China said a lot of Chinese elites who believe in liberal values and want democracy also believe the masses cannot be trusted. These elites think a person needs six to eight years of education to choose a national leader or they will not choose wisely. As it is there is voter fraud and the buying of votes in the villages where elections take place. So they think China needs more development, she reported. Personally, she did not agree with this assessment.

A Chinese executive working for an American multinational corporation (MNC) said a person who does not have bread and milk does not care about democracy. Poor people, a Taiwanese CEO of an American MNC said, want food and education. Farmers do not care about democracy, he said. A Chinese PhD who lived in the United States for decades but has returned to China for business opportunities said in villages or towns in China people will hit or even kill each other. Vote buying is common. Over time, a civil sense will expand in China, he said.

If China institutes the two-party system, China would fall apart, said the Taiwanese CEO. China had a two-party system, the Nationalists and the Communists, he continued. They killed each other. The Chinese people are not ready for democracy. If it is introduced the result will be the same as the Soviet Union, he said.

The influence of religion on politics is different in China and the United States, said the Chinese executive working at an American MNC. A Chinese journalist said “interest group” in Mandarin has a negative connotation. The Chinese think it means exploitation of society by the one percent.

The Singapore doctoral student in political science said democracy in China would unleash vicious national sentiments. A Chinese CEO of a European company laid the blame for this with the Communist Party. She said the Chinese have good traits and very selfish traits and the good traits have been undermined repeatedly since 1949. Because of this China is not ready for democracy, she added.

A Chinese professor of political science argued that the education system is collective. China is not a democratic culture. If democracy is introduced the majority would just kill a minority or take their property, she said. Deng Xiaoping said we need economic and educational development first, maybe in 50 years the society would be ready for and want democracy. Deng worried about the masses getting control, she said.

The Taiwanese CEO said the road to democracy must go through an expanding middle class who are educated, have free time, and increasing consumption. China is changing every day. With a growing middle class, there is no need to worry about democracy, he said. China will get there. The Internet influences people. In the 1990s, he continued, the Chinese were reselling used cars, but today you cannot do it. Now they want global standards.

Discussion

The American attorney reports that pro-liberal elites believe the masses cannot be trusted, but instead of a permanent condition, it is a question of time, of development, specifically education. The Chinese and Taiwanese executives think it is a question of *economic* development. The PhD thinks China is developing. The key issue for him is the devel-

opment of civility. He describes a corrupt and violent population in villages and towns.

Despite the reasons, all agree a large part of the population will not use democracy beneficially. They think there will be voter fraud or the masses will not “choose wisely.” The government can manage voter fraud. If there is voter fraud, enforcement practices, education programs, and monitoring can reduce it. As to making unwise choices, this seems to be based on the fear of electing a Mao-style leader who will whip up mass violence or the perception the masses are generally lacking the virtues of rationality and civility. The fear of a Mao-style leader is inseparable from class conflict; the middle and upper classes have different interests than the lower classes. The belief that the masses lack rationality is true for those who are impoverished,¹⁸ but given China’s economic success, this is far from a majority of the population. In other words, widespread middle-class perceptions of mass potential for voting corruption and irresponsibility probably conceal class conflict and bias.

The reference to the Soviet Union is a reference to the fall of the Soviet Union. China is an up and coming nation with a rapidly growing economy. From the CEO’s perspective, the last thing he wants is political instability. He is saying let us have freedom in the future, far in the future, when economic growth is not at risk. In fact, economic growth will deliver freedom, he said earlier.

The comments of a Chinese CEO of a European company suggest a dilemma. Many people have said that China is not ready for democracy, but the Communist Party does not want democracy and they have system-wide control over societal institutions. They have steered these institutions to ill-prepare, discourage, and stop any movements towards democracy.¹⁹ In fact, according to the CEO, they have cultivated a population and created a historical experience that has undermined the sense of community—interpersonal trust and group autonomy—that any society needs wanting to develop democratic institutions. Given China’s dictatorial history and authoritarian culture, the Communist Party’s reign has further set back the development of civic institutions. Deng’s comments that China needs economic and educational development before democracy do not ring true. The primary block to democracy in China is now as always the elites. They refuse to share power.

Francis Fukuyama argues that democracy does not require a middle class but a middle-class society.²⁰ Polarized societies do not make stable democracies, even with a middle class. An “expanding middle class” is not sufficient for a stable democracy. Indeed, with many poor people and extremely polarized levels of wealth, China is an unlikely candidate for a stable democracy. The situation in China is as Fukuyama suggests, a minority middle class has aligned itself with a dictatorial government because it feels more threatened from below than from above. They prefer oppression above equality. When the middle and upper classes say

the “masses” are not ready for democracy, it means the lower classes are a threat to them.

It Is Not a Good System

A 35-year-old Chinese executive working at a foreign bank argued that democracy and human rights do not fit China. She said voting does no good in the United States because there are not good candidates. She acknowledged the Communist Party has done some bad things and generally steals the country’s wealth, but still does not think the dictatorial system should be changed. She said there would not be a revolt from below unless large numbers of people are starving.

A Taiwanese executive who worked in China for two decades for an American MNC said democracy in the United States is declining because the two-party system inevitably leads to decline.²¹ The same thing happened in Taiwan, he said. Voting should take place within a single-party. The key is to avoid the destructive aspects of the two-party structure. Along this line, a 30-something Communist Party communications specialist pointed out that all presidents in Taiwan and South Korea are involved in legal proceedings after they leave office.

In response to a question about the centrality of the government in the Chinese business system, a Chinese professor of finance said that in the United States regulatory controls result in missed opportunities, while in China an official can make decisions overnight. A good dictator, he said several times, is better than a bad democracy. He pointed out India is a democracy yet has bad corruption. In China, if economic growth is low a good dictator can work to improve it. The problem China faces, he said, is that the country is complicated and cannot find good dictators. For example, the government mindlessly pours money into infrastructure. Yet, he insists, in the early stages of economic development a good dictator is better than a bad democracy.

A Chinese CEO in Hong Kong said in 1949 China was very poor but has come a long way. Compared to the Soviets, the CCP is clever. They know when pressure builds they have to compromise. Compared to India, the world’s largest democracy, and where it is hard to get things done, the CCP is more effective. It is hard to justify changing from dictatorship to democracy when people are hungry. I genuinely believe, he said, that without the extreme measures taken by the CCP economic growth would not have happened.

Discussion

As can be seen, the central criteria the Chinese middle and upper classes use to evaluate the government are economic. Since economic growth has been and is good, there is no reason to change the govern-

ment. They do not see what democracy can add. In fact, it could create conflict and undermine economic growth. The Communist Party is corrupt but so are democratic parties, they point out.

It is interesting to see these educated professionals point out weaknesses in two party democracy, while accepting weaknesses in one-party dictatorship. As was noted, this has a lot to do with economic growth in the present. What will they say when economic growth declines? Most of these individuals have much more money than their parents or they ever imagined they would have.

One corollary to the democracy-is-not-good-for-economics theme is dictatorship is efficient. The professor of finance surprisingly states this in his good dictator theory. Concentrated authority leads to rapid, efficient decision-making, as opposed to democratic decision-making through interest group bargaining and majority rule. The good dictator, he argues, is especially effective in a developing economy that needs to be kick-started. The only downside is if the dictator is not "good," but that is exactly the point: democracy puts in place checks and balances so the downside from government decision-making can be limited. The finance professor is surely misleading when he says, "a good dictator is better than a bad democracy." It is bad dictators—Mao or Stalin, for example—that have done the worst harm in their society's history. Democracies do not commit mass murder. The professor's formulation has the upside without the downside. It is a loss of historical memory.

The Hong Kong CEO, who lived most of his life under the rule of law, also expresses respect for the Communist Party's accomplishments. He too emphasizes the central role of material life in society and claims only the dictatorship could have achieved the current standard of living. He too seems to have forgotten or ignores that the Communist Party created the economic disaster that they are now correcting. In fact, to do so they had to reverse their core beliefs. What I see in the CEO's comments is partly fear of the Communist Party. Since it is risky to criticize the Communist Party, he avoids criticism and only expresses what had come out right. As the banker said, masses of people are not starving. Society is mostly stable and economic growth has been excellent. One must appreciate the economic blessings. The Chinese are above all a practical people. What is missing, however, are the decades of political violence and societal destruction. Is it practical to forget the past?

In Time It Will Happen

A Chinese marketing professor in Hong Kong with extensive consulting experience on the mainland said mainland business executives have little belief in communism. Communism will fail from "inner decay." Even government officials have democracy in mind, he says. They do not support strong government control. People's beliefs are changing; it is

only a matter of time. However, right now there will be tighter control for the next 5 to 10 years, he said.

Will China turn towards democracy? A Chinese journalist working for a government run newspaper said the head of the Boyuan Foundation—a foundation to explore liberal ideas for Chinese society dominated by liberal-leaning Princelings—predicted that in 15 years China would have a multi-party system. However, the Communist Party is doing everything it can to stop this development, he added.

A 70-something Chinese executive in Hong Kong with manufacturing and philanthropic operations on the mainland said the Communist Party does not know how to introduce democracy, but the country is moving in this direction. They are creating institutions. The key issue is the education of good leaders. “If you need Gorbachev, who needs democracy?” he said. Look what happened when Russia instituted democracy quickly. China needs good leaders and good institutions. China is doing much better than Russia. Many more Chinese citizens are no longer in poverty, though Russians are better educated, he concluded.

A 40-something Chinese banker in Hong Kong said he does not believe China will follow Taiwan to democracy. China is a “pressure cooker,” but it is still moving in the right direction. Education, socioeconomics, and politics are intertwined he said. Overall, China is well managed. In another two generations, China will be a different place.

A 50-something Chinese professor of law said there are different groups inside the Communist Party. If they care about the future of the Party, they should strengthen it by creating town, city, and county elections. This would stop people complaining, make the intellectuals happy, and reduce corruption. If they are smart enough they could strengthen their popularity. It is no loss for the top leader to move to elections, he said. He could start elections at the bottom and retire by the time they get to the top. If the Communist Party is in decline then the top leader can protect it by learning how to win elections and keep the Party in power.

Taiwan started real elections, the law professor continued, in the 1950s and 1960s. It stopped corruption, ended dissatisfaction in the population, and gave the single party in Taiwan a chance to learn how to play the election game, but the CCP learned nothing, he said. Cadre buy government offices and learned how to get their money back and retire with security. The Chinese journalist working for state media asked, why is China unable to use Hong Kong and Taiwan as models?

Clearly democracy is not a cure all, said the American lawyer promoting the rule of law in China. The United States has a “pretty good” constitution protecting individual rights, but we still have police brutality, despite many Supreme Court decisions. Creating democracy is a difficult challenge, but if a country does not spend time on it and invest in a supreme court, the rule of law is impossible, she said. A country the size

of China is enormously complex. Democracy is only part of the solution. Transparency and an effective media are required too, she added.

A Taiwanese journalist working in Hong Kong believes Xi has good intentions, but the system does not like democracy because it threatens too many benefits for top leaders. However, he said, the Communist Party was founded as a democratic party. Only later, did Mao become a dictator and kill the founding members. Ironically, the Communist Party mandate is more democratic than the Kuomintang's, but Taiwan became democratic and China did not. As a young man, Deng Xiaoping joined the Communist Party in France and as a leader spoke about democratic reform. The Communist Party's roots are part of the labor movement, he continued. Lenin turned it autocratic. Russian culture needs a czar. That is why they like Putin, not Gorbachev.

Another Taiwanese journalist working in Hong Kong said the current Chinese political system assumes the Communist Party knows all, that their policies bring benefits to the people. After the Tiananmen Square massacre, people predicted that the Communist Party would fall, but they survived. They have implemented brilliantly, but many ask, she continued, without political reform how long can they last? There is a lot of internal debate. President Hu came to power in 2000. He went to visit opposition parties. One third of the seats in the National People's Congress go to opposition parties. He wanted to get them more involved, but nothing happened. Hu learned quickly he was not in charge. There is a lot of opposition to opening up participation in the political process. The Communist Party cannot change as did the Kuomintang did in Taiwan, she said.

The Taiwanese journalist continued, the Kuomintang had ruled Taiwan with an iron fist, but became a democratic party. China has entered an era where economic growth has delayed the fall of the Communist Party, but if an economic crisis comes, they will need political reform. Deng promised political reform. At some point, she added, economic reform becomes less effective.

A Chinese Hong Kong CEO agreed maintaining the monopoly on power is a very difficult thing to sell "deep down." Clearly, the Communist Party wants to prolong it as long as possible, an American CEO who has worked in China for over two decades added. China is not going to collapse. It is not that fragile. The Communist Party has legitimacy and institutional strength. They are adaptable. Since Mao, they have not been dependent on one person. There is an emerging consensus, however, that Xi might go for a third term after his 10 years are up. This philosophy of control is a dead end. It just leads to more control, he said.

Discussion

The Hong Kong professor, manufacturing executive, and banker all believe China is moving in the “right direction.” The professor seems overly optimistic given the data I collected in Beijing. There are different coalitions in the government and it is far from clear how things will unfold. Some people, the Princeling leading the Boyuan Foundation, for example, believe China will have a democratic political system. They do not agree, however, in how much time it will take for democracy to be up and running. The professor and the Princeling suggest that democracy could arrive in a decade, but the professor expects “tightening” before then. The professor’s latter comment completely undermines his former.

As can be seen in the manufacturing executive’s comments, Gorbachev is an object of derision in China. Xi has called Gorbachev unmanly. For the executive, the fall of the Soviet Union was too high a price to pay for democracy. Clearly there is a fear China will follow the same path.²² The executive will take dictatorship over fragmentation. His primary criteria to evaluate the political system is not just economic, he also mentions education. On the mainland, as was shown, the middle and upper classes primarily use wealth as their criteria. Perhaps the reasons for this difference is that the Hong Kong executive has been wealthy all of his life and until recently has not feared losing his wealth to political predation. There is no reason to think mainland middle-class values will follow the path taken in Hong Kong, give the radically different political contexts. Indeed, with the 2020 crackdown in Hong Kong, Hong Kong values might start resembling those on the mainland.

The 40-something Chinese banker, however, does not think democracy is coming to China. His metaphor of a “pressure cooker” needs to be unpacked. He appears to be saying that education, economics, social relations, and political forces combine in China to create so much conflict and potential conflict that a conflict based order-making mechanism such as democracy could not work in China. China needs centralized control. In fact, the Communist Party is doing a good job. The country is under control. More than that, it is “moving in the right direction.” He seems to agree with the executive that the Communist Party is creating “good” institutions and policies. In 40 or 50 years, China will be a “different place,” but it will not be like Taiwan, it will not be democratic. He seems to think China is moving toward the Singapore model, what Daniel A. Bell calls a “political meritocracy.”²³ That is, enlightened authoritarianism.

The liberal Chinese law professor’s comments are not so optimistic. He too seems to be assuming Chinese society is a pressure cooker. He notes there is conflict inside the Communist Party, citizens are complaining, and intellectuals are unhappy. For him, the answer is to channel and process all these conflicts and complaints through elections. He explains

why and how the Communist Party can introduce elections. Even the Kuomintang used democracy to secure a role in Taiwan. They solved the “pressure cooker” problem *and* kept the Kuomintang in the game. The Communist Party’s own self-interest dictates this course of action, but, alas, they might not be “smart enough” to take this path. They are too greedy. All they learned was how to use power to get rich.

Clearly, there are significant obstacles for China to move towards democracy. Preliminary steps are required for it to happen. At this point, however, the American lawyer notes, the Communist Party has not moved towards the rule of the law, an autonomous supreme court, political transparency, or a free media, let alone elections.

Interestingly, the first Taiwanese journalist points out the Communist Party was founded as a democratic party, but Mao assumed the role of a dictator.²⁴ Mao and the Chinese Communist Party followed the Soviets and the Lenin-Stalin model, which was dictatorial. The journalist mentions Russian society still repeats a long authoritarian past. This is true about China as well.²⁵

The second Taiwanese journalist points out President Hu Jintao (2002–2012) ran into resistance when he tried to implement a “collective leadership” model.²⁶ Most people believe Hu was a “weak leader” and “could not get anything done.” Xi wins praise for his dominance. The Chinese, like the Russians, appreciate a strongman.

From the fact that Hu failed while so far Xi has succeeded, the interpersonal power dynamic at the center of Chinese politics can be seen. Institutions and law are not central, personalities and networks are. This is true in the United States to a lesser degree because of the separation of powers and the rule of law.

Earlier in its history, the same was the case in Taiwan, but the “iron-fisted” Kuomintang introduced democracy. It did so to survive.²⁷ The Taiwanese journalist thinks democracy will come to the Chinese Communist Party. She and others say economic growth and rising standards of living have postponed democracy’s arrival, but these benefits have diminishing marginal returns. She thinks the first serious recession will force political reforms.

Both the Hong Kong and American CEOs do not think the dictatorship is stable, despite the strength and adaptability of the Chinese Communist Party.²⁸ They say there must be political reform towards citizen participation. The American notes, though, the Party seems to be going in the other direction toward concentration of power in one man. He calls this a “dead end.”

All this shows that predicting the evolution of a complex sociopolitical system is impossible. And the length of time it will take for these predictions to unfold (if they unfold) can make the predictions meaningless, because the longer the length of time the more unknowable what other factors may enter the field and what their interaction effects will be. What

we do know, is right now the Chinese political system is becoming more centralized and more repressive. This is the primary pattern in Chinese history. Democracy is little more than a wish a minority of Chinese hold.

IS CHINA UNIQUE?

Is China's political economy unique in a deeper sense than the fact that all national political economies are unique?²⁹ The Chinese speak of a "third path" between capitalism and socialism.

A Chinese editor at a private online magazine specializing in reporting on the Chinese state said the leadership knows it cannot copy Singapore, so they must blaze a new path. They feel confident they have the right path. There are four core principles. First, one-party rule is unshakable. It is a "red line." It cannot be crossed. Second, the military must be under Communist Party rule. Third, the Communist Party maintains a monopoly on propaganda. There is "no way" Facebook comes back to China. Fourth, the SOE sector will remain a pillar. SOE provides the Communist Party with revenues and other resources that they can use for their political goals. Private enterprise cannot be used in this way. These are the four "untouchables" for the future.³⁰

A Taiwanese executive who worked for an MNC for decades in the United States and China said China has a "unique system." The best way is for China to learn from both East and West. China must be a hybrid, he said. China will have different organizing principles than the West.

What are these different principles? In response to a question on whether China will develop the rule of law, a 40-something Chinese executive working for an MNC said the Communist Party for now is the only option to manage China. Two parties would "drive China to pieces." In the last 5 to 10 years, local government had too much power. This caused the country to fragment. Each province made its own decisions. It tore China apart. Even with one party, there are pressures to change the constitution, he said; implying improvement does not require two parties.

A Taiwanese CEO of an MNC was optimistic that China was going in the right direction and at some unspecified time in the future would develop a "better condition." Though given China's history this "condition" will not resemble Western institutions because China has always had a top-down system, he said.

Currently, the system is mixed, reported a 40-something Chinese lawyer. There is some freedom in the community; the government does not interfere too much, but there is a lack of transparency. A 40-something Chinese editor for a government magazine said the level of government control will not change. Multi-party democracy is not possible. Putin, he said, is trying to do that. China will "blaze a new path," set a new exam-

ple. China is in a unique position; it is a unique country. It is different from the West and from other emerging countries, he said.

Clearly, China has changed dramatically during the reform period. A Chinese CEO in Hong Kong said it is now time for the Communist Party to reveal whether they are willing to give up their dictatorship. An affluent population will ask for different things and ask on a different level, he said. For the Communist Party to maintain their relevance, they need to do some "soul searching."

A 40-something Chinese law professor added, however, if the Communist Party will not provide freedom of speech and the rule of law, then it all depends on the quality of the president. As the citizenry gains knowledge, he said, they will push the line on public expression and will push the government to meet other needs.

The Communist Party has shown sensitivity to public demands in the area of property rights. An American lawyer who has worked in China for decades said the Communists have been slow to recognize private property rights, but they are becoming a significant issue. The Ministry of Land and Resources, for example, recently ordered that gates be removed from private residential communities to improve traffic flow, but they reversed the order because of protests from property owners. Years ago, he continued, they would have ignored the protests. This is a "huge" change. A second example concerns high voltage transmission wires. In the past, they were standard practice. They were bad for property prices, scenic views, and safety. Recently, however, when the government proposed putting the Maglev train in the heart of Shanghai, they found an alternative route when people said no. A 30-something Chinese lawyer, however, disagreed. For him, individuals in China lack property rights protection. Note that the American lawyer's examples both involve community-wide issues in large east coast cities.

A 40-something Chinese executive working for an MNC did see evidence of the government's increasing sensitivity to law. He said he sent letters to local government departments concerning issues in his neighborhood. They responded by referring to the law. This would not have happened five years ago, he said.

A 30-something Chinese economist working for a foreign consulting firm tried to summarize China's current political economy. China has a large government but less labor policy than the West. If China is socialist, then why does it have so little safety net? China has a more mixed economy than all other countries. In the United States, the two parties have core interests, but the Communist Party "tries to win everyone." It does this to keep a second party from arising. Human rights are "horrible" and the wealth gap is "bad," but the government maintains stability, can be efficient and flexible, and provides business driven policies. It is a unique mix, he said.

A 40-something Chinese executive working for an MNC also supported the view the Communist Party works for the Chinese people. He argued that the CCP is different from other communist parties. CCP cadre follow the same beliefs, are well educated, have overseas experience, and are open-minded. The CCP is an improvement over a single dictator. The CCP leader does not nominate his successor. The successor is not from the same faction. Like the United States, China has different interest groups. There is a scheme to nominate the successor. If one person makes the decision, it leads to a bad leader. In China, it leads to a group who chooses. The system is sustainable. The Communist Party needs elections within the Communist Party. It would make China more sustainable.

An American journalist who has worked in China for over a decade and who reports on the government, however, had a different view. Currently, he said, Communist Party decision-making is a “black box.” It appears that Xi and the number six person on the Standing Committee (Wang Quishan) are making the decisions. It is even possible that other members on the Standing Committee do not know what is going on.

In addition to the lack of transparency and extreme centralization, and despite the view that the Communist Party wants to “win everyone,” some professionals saw the Communist Party as controlling, patronizing, and arbitrary. The 40-something Chinese executive working for an MNC said the Communist Party wants to make citizens feel comfortable, but they tend to over-control. They need the people engaged and productive. Asking everyone to “read a book” does not help, when everyone has access to the Internet. It will just “piss off everyone.” They should create an open environment that will not lead to the breakup of China. The central government should create standardized regulations. The result is that everyone is treated fairly. This would make people feel safe. People need to work and receive pay or they will leave China. With such a big population, you need one power, but everyone should be subject to the same regulations. This will make people feel comfortable and attract investment. It is a win-win scenario.

Discussion

The editor describes the Communist Party’s four nonnegotiable principles undergirding its rule. The editor starts by saying China cannot copy Singapore. Singapore is a third option that is not the same as the free market oriented west nor heavily socialist like China’s past. Singapore has mostly open markets, yet state ownership and stewardship are significant. Successful Singapore is the obvious middle option, but it is rejected.

The four principles are clues to what model the Communist Party seeks to develop. First, there will not be a second political party; the Communist Party will not share power. Closely related to this is the

second principle. The Communist Party must control the military. The Communist Party will be the one and only power in China. The third principle builds on the first two. There will be only one public voice in China and that will be the voice of the Communist Party. The Communist Party will control all information by which society understands the world and its place in it. The fourth rounds out the mandate of control. State ownership of economic assets will remain significant, through which the Communist Party will extract and redistribute resources, build its power base, and direct and control society.

This model is different than Singapore in that Singapore has cracked the door open to other political parties, does not define military control in regard to one political party, has a more universal rule of law, and allows a much more open media. This puts China on a continuum between its original communist dictatorship and Singapore's one-party dominated open market rule of law system. While China has made significant reforms toward private ownership of the means of production and market exchange, it has done little to open up political competition. The Chinese "third path" is communist dictatorship, "politics in command," to quote Mao, domination over free markets through government ownership, regulation, and finance, and extralegal use of state power.³¹

Yes, China is unique, but it is still part of the human community; it is still subject to economic, political, and historical constraints. The key issue is dictatorship: Either the Communist Party will or will not open up political competition. Historically, China has always been "top-down." Many say dictatorship is essential to hold China together, but the growing middle class might seek more influence on government decision-making. What social class will dominate? A wealthy and expanding middle class or family-dominated and bureaucratic political elite? The Hong Kong CEO, committed to markets and the rule of law, assumes economic growth is the number one priority. There are signs this is not the case for the Communist Party.

The law professor points out a different pressure on the Communist Party, in addition to the pressure for economic growth. The world is getting smaller. Through education, travel, and communications the Chinese people are gaining knowledge of other political/economic systems. This will influence the expectations they have of their government. This is especially true of the younger generations who have grown up with more wealth, information, and travel. What expectations will they have, what demands will they make on government? What directions will they move when they take leadership positions in government?

If the Chinese government tries to "win everyone," then why are human rights "horrible" and the wealth gap "bad"? If China is not socialist, then why does the government own 30 to 40 percent of the economy, indeed the economy's core? It is more accurate to say the Communist Party maintains a monopoly on power and uses a combination of eco-

conomic monopoly and economic growth policies to “maintain stability” and protect its political monopoly. This is not so much a “unique mix” as a familiar communist dictatorship. Vietnam is similar.³²

The key issue is the nature of “stability.” To the extent the Communist Party maintains “stability,” it does so through a combination of repression, economic redistribution, economic growth, and nationalism. Currently, the government is increasing the first and trying to increase the fourth, holding the second steady, as the third is declining. The Communist Party realizes that economic growth cannot continue forever. There has not been any significant changes in the political system from the great economic growth achieved over the past four decades. The Communist Party’s willingness to carry out violence to protect its hegemony is still the bottom line.

The opinion of the Chinese executive at the MNC is interesting in that his liberal view of Communist Party culture and succession corresponds generally with the Hu presidency, yet the general view of Hu is that he was weak and ineffective. In fact, the power-accumulating Xi followed Hu and is seen as a strong and effective leader. The executive thinks that continuing liberalization will make the Communist Party more sustainable. For now current developments are not supporting this view as Xi concentrates power in his person, indicating that power concentration is what the Communist Party leadership thinks will make the Party more sustainable. Why is this so? It is so because of the nature of the Communist Party. It is a dictatorial organization where the founding ideology, which was always contested, is in decline. If authority is decentralized, discipline will (and has) unravel because the institutionalization of belief is no longer (it never was)³³ strong enough to curb self-interest and opportunism. It is for this reason Xi is both concentrating power and attempting to revitalize communist ideology.

The second commentary, however, from this executive, who earlier praised the government for increased rule following, says over-control and patronizing behavior is going to alienate the population, especially the middle class that has the ways and means to emigrate. He calls for professionalization of government bureaucrats, transparency, standardization of regulations, and fairness. In addition to emigration, he is concerned with fragmentation. Xi seems to focus on the latter but not the former problem. Some have said that from the government’s perspective, emigration rids the government of unhappy customers that are easily replaced by a hard-charging population of 1.4 billion people.

CONCLUSION

After the Long March and the eventual defeat of the Kuomintang, the Chinese Communist Party hit the ground running. They went about

transforming Chinese society from its ancient ways and recent chaos, to a communist state, under the total control of the Communist Party. The transformation was ongoing as was ever-increasing control of people's lives, but all was not harmonious among the leadership ranks. In the Jiangxi Soviet in the 1930s violent purges took place and violent rectification campaigns took place in Yan'an in the 1940s. Violence against real or imagined traitors, competitors, or just people, who have different opinions, runs through the history of the Communist Party to the present day. The history of the CCP is a history of intolerance.

Even in this context, the Cultural Revolution was a watershed event. The Leninist principles upon which the CCP was founded always assumed a dictatorship. Even though the dictatorship generally strengthened over time, it was not until the mid-1960s when Mao introduced the Great Proletarian Cultural Revolution that the political system entered more fully a totalitarian phase.

For one thing, when Mao directed youth gangs against the Party itself, disharmony among the elite evaporated as Mao's real and imagined competitors were lucky to survive, let alone fight back. One of the core characteristics of totalitarian politics, the Leadership Principle, came into effect: One man exercised all power, the entire political apparatus pivoted on the whims of a single mind. This explains the wild swings in direction that took place during the 1966–1968 period, as orders and statements changed almost daily, if not hourly.

Secondly, the program Mao was pushing was anti-utilitarian, another core feature of totalitarian politics. Like Hitler diverting massive resources to the slaughter of the Jews and others, while the German army fought a two front war, Mao shut down the economy, government, and education sectors while the country's production was in free-fall to pursue his fantasy of a classless society (and solidify his hold on power).

In 2018, we see a concentration of power accumulating in the hands of a single individual, Xi Jinping. Liberals in and out of China are alarmed and wonder where this is heading. The Leadership Principle seems once again to be taking shape, as rules and institutions are set aside, a personality cult takes shape, intolerance is increased, and ideology once again moves closer to the center of political life.

The anti-utilitarian nature of totalitarian government is mostly missing. It is true that the Anti-Corruption Campaign has had significant negative effects on economic growth. Yet Xi seems to be working continuously to stimulate economic growth through his Belt and Road, China 2025, and associated initiatives as well as stabilize the domestic economy. While Xi has concentrated political control in his person, his behavior falls far short of the violent and insane behavior defined in the totalitarian Leadership Principle.

As was noted in the data, control is an existential issue for the communists. They will do whatever it takes to keep their political monopoly. Xi

is Exhibit A. Though also in the data and mentioned in the literature, there are pro-democracy and pro-liberal factions in the CCP elite. Clearly, the last century of Chinese political history and recent events show a seesaw in the centralization-decentralization disorder. Indeed, Schell warns not to give up hope for the rise of a democratic China.³⁴

The current facts on the ground suggest anything but an emerging democracy. The tentacles of control have been expanding for over a decade. They appear daunting indeed, now working feverishly to incorporate the latest technologies to button down social and psychological controls. If democracy is to emerge on this soil, it will not be in the near term to say the least.

NOTES

1. Pye notes the emperor's Mandate of Heaven was always based on economic stability in Chinese history. Lucian W. Pye, *The Mandarin and the Cadre* (Ann Arbor: The University of Michigan Press, 1988).

2. Stein Ringen argues legitimate authority is not strong in China. Stein Ringen, *The Perfect Dictatorship* (Hong Kong: Hong Kong University Press, 2016).

3. Richard E. Nisbett, *The Geography of Thought* (New York: Free Press, 2003).

4. In the great civilizations, Max Weber argues, bonds of family are strongest in China. Max Weber, *The Religion of India* (New York: Free Press, 1958).

5. Sebastian Heilmann et al., *China's Political System* (New York: Rowman and Littlefield, 2017).

6. Kwang-Keuo Huang, "Face and Favor: The Chinese Power Game," *American Journal of Sociology* 92 (1987): 944–47.

7. By all accounts, the rule of law is improving in China, but political involvement is common in cases that affect the interests of the Communist Party. Corruption is still widespread. Jacques deLisle, "China's Legal System," in *Politics in China*, ed. William A. Joseph (Oxford: Oxford University Press, 2014); "The courts continue to be extremely limited in their ability to protect the rights of citizens in the event of unlawful administrative acts." Heilmann et al., *China's Political System*, 143.

8. deLisle argues the Communist Party uses law to enhance discipline, transparency, and accountability. deLisle, "China's Legal System."

9. "Xi has mobilized the party to fortify the moral character of party members, inculcate social values, and reject Western cultural and ideological influences." Elizabeth C. Economy, *The Third Revolution* (New York: Oxford University Press, 2018), 35.

10. Heilmann, for example, reports "Opaque patronage networks . . . penetrate the party, the state, the military, and the economy." Heilmann, *China's Political System*, 153.

11. Etienne Balazs, *Chinese Civilization and Bureaucracy* (New Haven: Yale University Press, 1964).

12. According to my informants, several hundred million Chinese do not have enough to eat.

13. Heilmann and Perry describe the Chinese Communist Party's policy style as "dictatorial, opportunistic, and merciless." Sebastian Heilmann and Elizabeth J. Perry, "Embracing Uncertainty: Guerilla Policy Style and Adaptive Governance in China," in *Mao's Invisible Hand*, ed. Sebastian Heilmann and Elizabeth J. Perry (Cambridge: Harvard University Press), 13.

14. Despite rejecting Mao-era mass indoctrination, post-Mao Communist Party leaders have maintained an "ambitious propaganda effort to shape and manipulate public opinion." Heilmann and Perry, "Embracing Uncertainty," 21.

15. In Barme's words, "Mao, a strong leader who in the popular imagination was above corruption and a romantic unfettered by pettifogging bureaucratic constraints, was for many the symbol of an age of economic stability, egalitarianism, and national pride." Geremie R. Barme, *Shades of Mao* (London: Routledge, 1996), 15.

16. I have seen the "cycle" mentioned in classical texts as early as the first century. Rowe refers to the "cycle" as Confucian. William T. Rowe, *China's Last Empire* (Cambridge: Harvard University Press, 2009).

17. "Despite some adjustments, Chinese Leaders continued reliance on campaign methods perpetuates certain negative aspects of Maoism, including the often callous disregard for the actual (as opposed to imagined) preferences of rural inhabitants." Heilmann and Perry, "Embracing Uncertainty," 16.

18. Hannah Arendt, *On Revolution* (New York: Penguin Books, 2006).

19. "China's new cyber law is one of four draconian laws passed or in draft form during 2015 . . . which have given the state authorities virtually unlimited legal authority and power to detain, arrest, and imprison citizens who are deemed to be threats to the state." David Shambaugh, *China's Future* (Malden, MA: Polity Press, 2016), 70.

20. Francis Fukuyama, *Political Order and Political Decay* (New York: Farrar, Straus and Giroux, 2014).

21. Five years after making this statement, the performance of Donald Trump as president, American response to the COVID-19 pandemic, and the police brutality protests have convinced the Taiwanese executive he is right.

22. Heilmann argues that the fall of the Soviet Union struck fear in the Chinese Communist Party and is one of the strongest influences on its worldview. Heilmann et al., *China's Political System*.

23. Daniel A. Bell, *The China Model* (Princeton: Princeton University Press, 2015).

24. There was also an egalitarian environment in Yan'an, the communists' northern base for years, but it was there that Mao instituted a fierce "rectification" campaign that would be a model of intolerance characteristic of future Communist Party practices. Simon de Beaufort, *Yellow Earth, Green Jade* (Cambridge: Harvard University Press, 1978). Rectification reviews, a grandchild of rectification campaigns, have been used to control and eliminate nonprofit organizations during the recent reform period. Nara Dillon, "Governing Civil Society: Adapting Revolutionary Models to Serve Post-Communist Goals," in *Mao's Invisible Hand*, ed. Sebastian Heilmann and Elizabeth J. Perry (Cambridge: Harvard University Press, 2011).

25. According to Fedotov, the Russian people chose dictatorship over freedom centuries ago, in the desire for national greatness. They got slavery. Georg Fedotov, "Russia and Freedom," *The Review of Politics* 8, 1 (1946): 12-36.

26. This model was originally created by Deng Xiaoping after the disastrous one-man rule by Mao Tse-tung. Cheng Li, *Chinese Politics in the Xi Jinping Era* (Washington, DC: Brookings Institution Press, 2016).

27. After his father died and he became the authoritarian leader of Taiwan (formally the Republic of China), Chiang Ching-kuo recognized "history was turning against the ROC" and introduced a transition to democracy in the 1980s. Shelley Rigger, "Taiwan," in *Politics in China*, ed. William A. Joseph (Oxford: Oxford University Press, 2014): 474. This was after Deng Xiaoping had introduced political reform in the PRC.

28. This is an important theme in the literature on Chinese governance. "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 adjustment." Heilmann and Perry, "Embracing Uncertainty," 3; I believe this view over-rationalizes what is a far messier process involving decentralized power dynamics at its center.

29. Stein Ringen writes the Chinese system is "very different from anything else known to human kind." Ringen, *The Perfect Dictatorship*, ix; His explanation for this conclusion focuses on the "double system": the state controls society and the Party controls the state.

30. In a 2001 editorial, published in an authoritative Communist Party journal, it states the Communist Party must “always command major decision-making power, controlling power over capital allocation, the right of censorship over propaganda, and the right to appoint leading officials.” Yuezhi Zhao, “Sustaining and Contesting Revolutionary Legacies in Media and Sociology,” in *Mao’s Invisible Hand*, ed. Sebastian Heilmann and Elizabeth J. Perry (Cambridge: Harvard University Press, 2016), 212. It is interesting to compare the “four no changes” from 2001 with the “four untouchables” reported in 2015. The wording is different but for the most part the priorities are the same, except for one. In 2015, the Communist Party is concerned about having control over the military. This explains the aggressive and risky changes Xi made in the military command structure upon taking office. It is a sign of the decline of Communist Party dominance. Xi is attempting to reestablish dominance.

31. I am not as impressed as Stein Ringen with China’s “double system” of control, party and government. It is clear who is in charge. Interest groups develop in government, but currently Xi is running much of the government through “leading small groups.” Not much of a “double system” now, pretty common dictatorship.

32. Like China, Vietnam’s economy is dominated by state-owned companies. Freedom of speech is strictly controlled. Private news media is banned. Scores of bloggers have been imprisoned. Social media sites have been shut down or fined for violating speech rules. Private Internet companies are heavily regulated. Mike Ives, “As Technology Companies Multiply in Vietnam, So Do Regulations,” *New York Times*, February 9, 2015.

33. During the Cultural Revolution, Madame Mao and other top ideological leaders pilfered valuable art that was looted from the homes of suspected “bad elements.” Frank DiKotter, *The Cultural Revolution* (New York: Bloomsbury Press, 2016).

34. “Democratic ideals have deep roots in modern Chinese history and have surfaced again and again over the past century.” Orville Shell, “China’s Once and Future Democracy,” *The Wall Street Journal*, March 31, 2017.

FOUR

Management and Governance

In the old story about the little train that could chug its way up the steep hill, the massive Chinese Communist Party (CCP) power system can be seen as the little train trying to make it up the hill only to face more hills endlessly into the future. Despite its massive size, formidable instruments of power, and current dominance, staying atop a population of 1.4 billion people changing rapidly in a context of great economic and technological change, is no easy matter. It is true that the CCP has its tried and true methods as well as shown itself to be an adaptable and learning organization, but the hills never stop coming, new challenges never stop presenting themselves. Just how much adaptability does the CCP have in it?

In this chapter, I analyze the data on CCP management and governance of Chinese society. This will include both Confucian traditions that have been incorporated in the CCP's governance as well as newer Leninist principles that were adapted by the CCP for their needs in China.

In this discussion of everything from policy making to intentional ambiguity to parentalism to dictatorship, two aspects will be given special attention: the double structure where Communist Party cells parallel the structure of government practically throughout the whole society including the military; and what I will call the "political cushion," recruitment of Communist Party cadre from small towns and rural areas to counter-balance the rising cosmopolitanism of the east coast middle and upper classes. This chapter investigates the profound contradictions between the Communist Party's program to maintain their dictatorship while modernizing the economy and the growing individualism that their economic success is creating.

LIMITS TO GOVERNANCE

During the year I was living in China, a massive manmade mountain collapsed in Shenzhen killing scores of people, a not so uncommon cave-in in a coal mine killing dozens of miners, dozens killed in a construction pit explosion, and an enormous explosion of toxic chemicals in Tianjin killing an unknown number and creating a severe environmental hazard. From news reports, I noted in my diary at the time, the causes of these disasters were part stupidity, part gross irresponsibility, and part lack of effective government regulation. After all four disasters, the government released statements promising increased government regulation of dangerous activities in the business system.

The government has over 80 million employees. The various levels of government are involved in many aspects of the business system. The government requires approvals and permits for even minor business activities. Why can the government not do a better job regulating industry?

Discussion

First, is the size of the challenge. With a population of 1.4 billion, there is an enormous amount of activity to regulate. Second, though it is commonly said that the skill level of government officials is "improving," it is usually followed by "but they still have a long way to go." Third, government officials are often in business for themselves. They wear two hats, government official and private businessman. They both regulate and compete with private businesses. In other words, there are conflicts of interest.

Fourth, the many requirements for government permits and approvals opens up the possibility for bribery. Bribing government officials is systematic. It is accurate to call corruption a tradition in Chinese government.¹ Fifth, there is no adequately functioning nation-wide regulatory system. Certainly, a bureaucratic structure exists, but hierarchical control is often fluid and/or highly unreliable. Directives from central authorities are often ignored, partially implemented, or altered. This too can accurately be called a tradition in Chinese government. Sixth, in some areas there are too few employees. In environmental protection, for example, an American lawyer reported only 400 employees working in the Beijing headquarters.

Another American lawyer, who works to develop the Chinese legal system, reported ways in which the Chinese government is trying to improve regulation of the population. First, there is the development of public interest litigation. Lawsuits are encouraged that represent class interests. For example, nearly 100 lawsuits have been filed since 2015 against air polluters.² Second, the government is developing a "social credit system." This system would function as a "quasi-legal blacklist."³

Similar to credit agencies in the West but broader, the government would keep a file on each citizen, recording, rewarding, and punishing certain social behaviors. Third, expanded use of criminal enforcement, such as tougher criminal sanctions on food safety and pollution violations. This is to appease public concerns in these areas.

Of particular concern is the government's use of new invasive technologies, as it tries to keep control of a society growing more complex, dynamic, and wealthy. WeChat, an app used by nearly one billion people to communicate and make mobile payments, for example, is closely monitored by the government, especially for people considered security risks.⁴ There is no legal oversight of these operations in China, as the legal system is not independent of the government.

Hence, the problem of weak government regulation of industry is inseparable from strong government monitoring of the population. Given the discrepancy in effectiveness, it shows the government's priorities. They are much more concerned with threats to their power than threats to the population. This is the result of the one-party dictatorship, where its priorities generally reflect its own interests and generally go unchallenged.

GOVERNMENT POLICY MAKING

A Chinese business school dean gave a high grade to the government's policy-making style. He said the Chinese people "are too smart." They will find ways to break rules. Given the size of the country, the government does not have full information about local needs and conditions, so they will experiment.⁵ For example, the dean continues, say the government does not know about white beans and only supplies red beans. The people who like white beans will be unhappy and criticize the government. Through this process, the government learns about white beans, makes the adjustment, and distributes white beans. In this way, the government meets the needs of the many and eventually the few too.

It is a good process, the dean says. The government is very smart. They "know everything." The dean gave another example of the government's decision-making process. At one point, there were only 100 MBA programs in China. To address the problem, the government allowed the provinces to open up MBA programs. This made local governments happy because business schools are very profitable. In 2015, they started 136 new MBA programs, but many were not good quality. The government, in their wisdom, raised the required entrance exam score by five points. The number of enrolling students dropped. Lower quality MBA programs went out of business. This is a government "adjustment." They do not admit they made a mistake, but the result is raised quality standards.

Discussion

In the first (hypothetical) example, the government did not know about white beans. Once they hear about white beans, they purchase them. In the second example, however, they created the problem they later solved. This process was not necessarily efficient. All the province governments that create MBA programs only to shut them down soon afterwards, waste time, money, and labor. The dean's appraisal of government policy making seems overly positive. At least in some substantial number of cases, the goal should be to get it right or close to right the first time. The shotgun approach can be wasteful, irresponsible, and unskillful.

Another problem is the lack of effective government adjustments. I have two significant examples from the real estate and local government debt markets.⁶ In both markets, government adjustments are often late or simply ignored. The problem in these cases is conflicting interests among government officials. The private wealth and career progress of officials is involved. Hence, it is not so much limited information or limited foresight as limited public interest.

VAGUE RULES

Upon my arrival in Beijing, I went to the university employing me to fetch four boxes of clothing I had mailed from the United States for my yearlong stay. Three of the boxes were there. The fourth had never arrived. The manager of human resources assigned to assist me seemed to know the box was probably not lost. She said she would check for it at the post office. She soon called to say it had been "found," it was in the "review center" at the post office, and if I would pay a \$35 "random tax" the box would be delivered. Supposedly, there was a rule that they could randomly choose a "foreign box" and tax it. Most Chinese I asked said they never heard of the "random tax," though an undergraduate student I asked to look into it said she did find some language that allowed the post office to issue a "random tax." I never knew for sure whether I had been assessed a legitimate "random tax" or I had paid a bribe to get my winter clothes. The manager said I would receive a formal government receipt for my payment but it never arrived.

A second example of the murkiness of government rules concerned my compensation. The salary I negotiated with the dean stated in my contract that all funds would be in an "expense account." As I "incurred expenses," I could withdraw my funds by turning in receipts. Shortly after my arrival, however, the rules had supposedly changed. Now the university would only accept formal government receipts called a *fapiao*. Trouble was I could only get *fapiao*s for restaurant meals and travel. It was

never clear to me, or the HR manager, what the rules were ahead of time. There was no website to go to read the rules. Instead, the rules seemed to be declared in real time and could change before you used them a second time no matter how little time had passed since the first use. The reason for this seemed to be the continuously shifting tides of government policy or the continuously shifting interpretation of policy at some unknown level of hierarchy.

One might think that the dean would know the rules since he routinely created and signed contracts, but the rules in this case contradicted what he had put in the contract and what he had written in emails explaining the contract. He did not respond to my emails reporting I was receiving no compensation. The situation was resolved when the HR department created a new payment plan. They did not put the new payment plan in writing. There was no reason to put it in writing because the “rules” were whatever a high-level department was demanding at a particular point in time, or whatever arrangement surfaced in the vast space under the radar. The solution was always to remain flexible, negotiate, and adapt.

Discussion

Chinese bureaucracy does not meet the Weberian definition of bureaucratic rationality that requires more or less stable rules. The Chinese system is highly fluid. The primary reason for this is the highly personal nature of authority in China. When new people take office or when people in office change their mind, they can easily change the interpretation of the rules if not the rules themselves. This makes government rules highly flexible, adaptable, chaotic, and uncertain. In this case, the tightening up on the use of receipts was probably the result of President Xi’s Anti-Corruption Campaign, but no one knew for sure.

Ambiguity in the use of rules could be partly a development issue. As Chinese bureaucratic administration becomes more educated and rationalized, rules will become more precise and more accurately executed, but vague rules are a source of power for the administrator, providing flexibility in implementation and intimidation. The latter puts the public in a self-policing role so to avoid trouble in the face of unclear rules. The tension between these two sources of ambiguity—development and power—is the reason bureaucratic rationalization is slow in China. In fact, the tension might never disappear, leaving ambiguity a defining characteristic of Chinese bureaucracy.

RECRUITMENT OF OFFICIALS

A Chinese CEO in Hong Kong mentioned that Communist Party officials are “good people.” An American management professor said there are rigorous methods of selection for recruitment of officials. Communist Party officials are “impressive.” They have to work all over China during their career development. The Communist Party demands unquestioned loyalty. One of my Chinese undergraduate students at Peking University told me students running for elections to the Communist Party are very talented and top students. It is difficult to get in. They do not take very many. It is important to get in if you want to work for a SOE, she said.

On the other hand, several people mentioned that the number of students going into government service had declined since Xi started the Anti-Corruption Campaign. In other words, as the risks for corruption increase the demands for government positions decrease. Evidence of non-idealistic motivations.

A Chinese professor of political science mentioned that the higher levels of government pick the lower levels and there are many levels.⁷ This implies that loyalty and relationships are key for government promotions. Actually, it is worse than that. Patronage, “old boy networks,” bribery, and the purchase of offices is commonly involved in the filling of positions,⁸ challenging the view of highly trained and ideally motivated officials resulting from recruitment and training processes.

American executives, during a dinner, report that Communist Party officials often recruit from villages and lower tier cities. This “keeps fresh, loyal blood in the Communist Party.” The result is a lag in generational change inside the Communist Party. The new members are culturally changing more slowly than their more cosmopolitan peers who live in the major cities. The latter is where most successful families live. It will thus take six generations to see real change in the Communist Party leadership, given the population levels in the less developed regions. Xi is also removing Communist Party Youth League members from leadership positions. This too will homogenize the leadership and slow down political change, they said.

Discussion

From this data, it appears the Communist Party uses a two-tier strategy for recruitment. On the one hand, the best and brightest are recruited out of the top universities and overseas-educated students. It is as if these students are groomed for leadership positions or at least enter the Party with this in mind. On the other hand, according to the political science professor, promotions are determined by relationships. Sub-group connections and loyalty are central.

This would create an organization where talent competes with loyalty, organizational mission with self-interest, in the selection of personnel. Effectiveness would not be a major attribute of this organization. It would be prone to infighting as different leaders with different backgrounds, different qualifications, and different understandings of how the organization works compete to move their careers and the careers of their followers forward. Commitment to the whole organization and Communist Party ideals would face strong counter-currents. Self-interest is, of course, universal and when balanced by commitment to the whole, productive. The Chinese case is prone to fragmentation with periodic reactionary disciplinary measures from the likes of a Mao or Xi. Some of the most important data in this section concerns the impact on generational change. China is changing fast and the population is changing fast. The data reminds us that not only is the rate of social change not equal all over China, but the Communist Party uses this difference to slow down change inside its own organization. The fact that they bring in more traditional, less cosmopolitan recruits to fill their ranks, challenges the view that generational change will make China more liberal as Western trained and traveled cadre move into top positions. The Communist Party has built a drag on change into its recruitment process.

The top leaders may be more cosmopolitan, but they may not be liberal. There will be non-liberal elements below them. It may not be in the leadership's interest to adopt liberal values, or liberal leaders may not be able to enter top-level positions. A very small group make these decisions. They will use non-liberal staffs to resist pressure from say the middle class if such pressure materializes. In fact, the Communist Party's focus is currently to nip this pressure in the bud through a broad range of repressive processes and a pinch of cooperation. In any case, the point is the Communist Party has created an organization of officials that will be culturally less progressive than the educated, large city, east coast middle class. They could be the iron fist in the velvet glove that keeps the middle class restrained. Currently, the implementation of a "security" regimen in Hong Kong in the face of pro-democracy protests is a case study in Communist Party practice.

PROFESSIONALIZATION

An American lawyer working to improve the Chinese legal system said the bureaucracy is improving fast. Many rules changes have led to better governance. They have added term limits, retirement age, and village elections. China passed laws that moved the country away from complete rule-by-man. It is now possible to sue officials. These changes are changing how Chinese think about their government.

Transparency has also increased she said, though to allow the government to self-monitor, not for the sake of promoting rights. Mayors and other “number one leaders” still exercise unchecked power. Nonetheless, the lawyer said the National People’s Congress (NPC) is much more transparent than it used to be. They sent an observer to the United States Congress to study transparency. They have improved their website. The sessions are watched live.

A second American lawyer studying the Chinese government said the NPC is more participatory and professional than before. They are a professional law making body. They listen to various groups to consider different points of view. This did not happen before the 1990s. Government decisions are generally improved. It is the result of better specialization and qualified officials. Still, he concluded, this is less than what some observers thought would happen.

The Chinese CEO of a consulting firm in Hong Kong said the evaluation of officials has changed significantly. It used to be based on foreign direct investment, technology transfer, R&D, employment, and GDP growth. Now evaluations cover the official’s social and environmental contributions.

He noted, however, a city mayor is a “businessman, running the business of the city.” His relationship to the business community includes customer, competitor, landlord, regulator, and business partner. He has his own profit and loss responsibilities.

A Chinese executive educated in the United States, however, said GDP growth still drives the evaluation of officials. That is why there are still issues with the environment, law, and corruption. One problem, he noted, bosses still carry out evaluations. Together they “cook the numbers.” If you add up the GDP of all the counties in China, he continued, it is bigger than the country GDP. The government may have changed the formula for the evaluation of officials, but the country is so unbalanced in terms of development that the level of professionalization varies widely. China is improving, he said, the sense of citizenship is improving, but there are still questions about politics.

Discussion

Improvement in the rationalization of government administration and professionalization of officials is mixed. On the one hand, rule changes have put limits on official power; on the other hand, officials in leadership positions still exercise unchecked power. Importantly, the first American lawyer reports changes in the law regulating officials and their relationship to citizens is changing the public’s expectations. To the extent public expectations are changing, it will create pressure for more changes and pressure against the unchecked use of power. The preponderance of data, however, does not suggest these expectations are strong.

Increases in transparency are an important aspect of these changes because secrecy is an important instrument of dictatorial power. With transparency, more information is available to the public, shifting some power to society in the state-society relationship.

Interestingly the lawyer says the government's need to self-monitor motivated the increase in transparency, not a check on its power. While the shift in information is the same, the distinction is important. It shows two things. First, the government is decreasing its control over information to increase its control over its personnel. It needs the public's help to monitor its vast work force. The state is giving up power to maintain power. It shows a limit to absolute power. Absolute power breeds corruption that undermines the state's power. The state needs society to protect it from itself. In other words, the state must share power with society. This sharing is not just limited by the role in this particular case, but by the tendency to idealize the leader in Chinese political culture and by the indoctrination regime. Otherwise, sharing power could lead to demands for more sharing. The Communist Party is artful in keeping power sharing on a short leash.

Second, the government does not hold transparency as a value. Perhaps no government does, but some governments have legal requirements in place to promote transparency. The Communist Party, on the contrary, is a government of great secrecy, especially on levels that matter most. The fact that it is forced into transparency to safeguard its power shows deep change is not taking place and can just as easily be reversed.

Furthermore, "number one" leaders still exercise unchecked power. Unchecked power is the essence of dictatorship, the essence of the CCP. All number one positions exercise it from top to bottom. It is the essence writ large of the CCP, and the essence writ small of the individual mayor or even lower positions. It shows the Confucian hierarchical culture (as implemented by dynastic regimes historically), still permeates the communist state in a deep sense.

The fact that the data describes improving specialization, training, professionalization, decision-making, transparency, and public participation shows a wealthier Communist Party investing in its administrative capacities and its public image. This has improved the government's efficiency and legitimacy. The better its administrative capacities, the better it can control society and provide services to society. The better its administrative capacities, the more confidently it can transfer power to society. The balances between controlling/serving/sharing described here, defines the nature of politics. As the second lawyer points out, the movements toward sharing power are positive but hardly transformative.

The consulting firm executive's comments show clearly the many conflicts of interests in the way the "number one" officials carry out their jobs. Mayors, for example, are often officially and privately competitors in the marketplace, the former because of the large number of SOE in the

economy and the latter because of the widespread ownership of private businesses by officials. Communist Party cadre still exploit their monopoly on political power and above the law status.

Of course, there is the corruption, but seeking is not the only problem. The Chinese executive reports that the evaluation process for officials is itself corrupt. This is inconsistent with the American lawyer's observation of increasing professionalization in the work of the NPC.⁹ On one hand, improvements in professionalization will take time and proceed unevenly across China's vast government system. On the other hand, the lack of checks and balances in the distribution of power leaves the door wide open to abuse. Yet even this executive reports improvement in professionalization and importantly an improved "sense of citizenship" in the population. The latter will be a force for government accountability if it continues to develop.

THE DOUBLE STRUCTURE

A Chinese professor of management said in China politics are everywhere. More exactly, there is politics in all organizations. One key reason there is politics in all organizations is that in addition to the management hierarchy, there is a second hierarchy staffed by the Communist Party. These second administrative structures are in government offices, SOE, schools, the military, and increasingly private enterprises.

In the government owned Western-styled business school where I was teaching, there were two leaders, the dean and the Communist Party head. The dean's office was on the fifth floor, the Communist Party head's office the third floor. Both the dean and the Communist Party head had to sign off on many decisions and sign off on each other's travel. They are equally powerful according to one manager who works with both. The Communist Party head leads a Communist Youth League group on staff. The Youth League employees do not get better benefits but do have better job opportunities. They more easily move between organizations and industries, especially high-level people.

At the high school associated with Peking University, a teacher reported the firing of the principal. His relationship with the Communist Party head in the school had gone bad. Rumors had circulated for months that he was on his way out. Previously the principal's relationship with the Communist Party head made possible access to significant resources and thus improvements in the school's reputation for excellence. The principal, an American, was head of a division preparing Chinese students for university study in the United States. Tuition is very expensive. Some speculated the firing of the principal was the result of President Xi's directive restricting foreign participation in Chinese institutions. The principal moved to a private high school in Shenzhen and a large portion

of the foreign faculty left with him. After he departed, the division for study abroad preparation moved out of its own building with its own facilities to merely a floor in the main high school building. The principal's replacement was also an American.

Discussion

The double structure is a core means the Communist Party uses to maintain control over society. Chinese dynasties commonly used double administrative structures and even triple structures to conduct surveillance.¹⁰ Though bureaucracy is very old in China and reached an impressive level of sophistication early and is one of the fundamental reasons the Chinese state lasted longer than any other great civilization, it often was not trusted by the emperor due to dishonesty, conflicts of interest, laziness, incompetence, and so on among officials. Changes were made, things shaken up, but finding out what was actually going on in the vast countryside was often difficult.¹¹ Friends, family, brilliant administrators, great generals, middle management, and so forth, all tried to secure that most allusive of treasures, accurate information.

The Communist Party uses the double structure to decentralize its command and control capacities through systematic, local data collection, monitoring, distribution of funds, and participation in decision-making. It enables the Party to implement policy broadly and immediately. Through these means, it maintains control of society. Nonetheless, the structure is not monolithic; Communist Party cells too often have their own local interests.

TOP-DOWN DECISION-MAKING

In an interview in Singapore with a Chinese Singaporean executive working for a multinational corporation (MNC) and a European chief compliance officer working for a different MNC, they portrayed the Chinese political system as unique and different. Upon assuming the presidency, they noted Xi quickly accumulated three roles with General Secretary of the Communist Party the most important. In general, they said, inter-agency rivalries require a lot of time to manage for private businesses dealing with the government. Businesses must get approvals in sequence. At this point, however, Xi is chairing many committees that drive economic decision-making.¹² These committees are traditionally informal and used as coordinating mechanisms for formal organizations.¹³ Xi, however, is using them to take control of the government, especially economic policy that should be the responsibility of the Prime Minister, Li Keqiang, sidelining him.

Changes in control and undermining formal structure are common in Chinese governance. A Chinese professor of management who does extensive consulting with SOE and government agencies said in the constitution the National People's Congress is supposed to be above the Politburo, but when the Congress writes a white paper the Politburo decides whether they will review it or not. He added there are more and more businesspeople and entertainment people in the Congress, but they have no principles and bend to whatever the Politburo wants.

Another result of the personalized decision process is a gap between policy-makers and policy-implementers. A Chinese executive vice-president working for a South Korean *chaebol*, who saw opportunities for several of the *chaebol's* divisions in the new massive Belt and Road initiative, said mid-level officials are still discussing Belt and Road two years after its announcement because it came down from the top and they do not know how to implement it. They received a "big picture" directive. Indeed, a Chinese Communist Party official said that the SOEs sent abroad to implement Belt and Road were ill prepared to interact with foreign cultures and often won bids by bidding so low they lost significant amounts of money.

Discussion

Xi's use of leading small groups (LSGs) has created a triple structure splitting the Communist Party. Most LSGs are not new; Xi's control of so many is new. He has redefined the office of the president's span of control. Why would he do this other than to increase his control? One reason is the tradition of personalization. In China, formal organizational structures are typically fluid in the face of personal interests and personal power consolidation. Consolidation enables Xi to maximize his influence on what changes and what does not change.¹⁴ It shows the lack of institutionalization in Chinese politics and the weak tradition of rule following. As noted earlier, the result is the highly fluid, highly secretive, and highly combative nature of Chinese politics.

According to the professor of management, opening up the Communist Party to businesspeople and professionals did not change the Communist Party, but the newcomers became subservient to the Communist Party. In other words, new middle and upper class members are not a force for change in the Communist Party; on the contrary, they use their new positions merely to further exploit their relations with the government for personal gain. It is cooptation with privileges.

It remains a fundamental question to what extent will the small group culture/dictatorial political system develop beyond its propensity for corruption. The democratic phrase, "it's the economy stupid," popular during American elections, shows self-interested political behavior is not restricted to one-party political regimes. It is a universal force. Yet con-

cern for society as a whole is important too, because otherwise the agency problem becomes a threat to social order. In democratic systems, the rule of law and separation of powers manage the challenge. In China, however, deeply rooted Confucian personalization combined with power monopoly, are constant counter-forces to institutionalization, resulting in dice-roll reliance on the leader's better angels.

Strong hierarchy is another result of the compromises inherent in a political system that relies so heavily on the personalization principle and an optimistic view of human nature. Strong hierarchy breeds its opposite, *guanxi*, where interpersonal networks develop that specialize in avoiding rules, breaking rules, and operating horizontally across the formal hierarchy with their own purposes and goals. *Guanxi* is one of the cultural sources for corruption, but the problem is broader. Because hierarchy and face (hierarchy's cultural rulebook) are strict, while *guanxi* (hierarchy's escape hatch) often operates independent of institutional constraints and formal organizational goals, middle management training and integration suffer. Because Chinese leaders tend to be overly dominant, Chinese organizations tend to sub-group opportunism and mediocre middle management performance. Indeed, leadership becomes the center of the organization rather than the top, its power naturally weakening as it moves out from the center.

The Belt and Road initiative is a case in point. Middle management received orders but did not know what to do with them. Middle management was not integrated in the decision making process. Similarly, when SOEs were sent abroad to compete for infrastructure projects, they were ill prepared to compete profitably and ill prepared to work in a foreign country. My point is that this results from an overly centralized hierarchy, culturally supported by highly ritualized deference behavior that simultaneously morphs into self-interested informal sub-groups. The execution is poor or the cost excessive due to misaligned incentives or corruption or both. Chinese culture presents a challenge to bureaucratic rationality.

PARENTALISM

Despite the rampant corruption, terrible human rights, enormous wealth gap, administrative callousness and incompetence, and refusal to share power some people feel the Communist Party really cares about its citizens. Since the Communist Party controls the education system and much of the media, one must consider the possibility of manipulated groupthink. Some outsiders, however, hold this belief too. An American lawyer said if the Communist Party could "waive a wan" to make people happy they would. They see their role as caretakers and the vanguard of a glorious revolution. They would love China to be the best country with

the best everything, he said. The only condition they would insist on is that it must all come from the Communist Party, not from the citizens.

A Chinese CEO in Hong Kong characterized the mainland government as parental. He thought parentalism for Singapore is a choice, for China it is survival. This seems to imply that the Communist Party struggles to maintain its authority. One of the ways it maintains its authority is by keeping the population in a child-like condition.

Discussion

Why must it all come from the Communist Party, not the citizens? One possibility is the Marxist origin of the “glorious revolution.” The communists believe the “laws of history” mandate their role.¹⁵ Another possibility is that the CCP believes in the revolution and wants to protect it. A third possibility is it is just a matter of control or protecting its power. These three possibilities blend into one another. A fourth possibility is the Communist Party inherited and continues Confucian traditions positing the government as the father of society. Though it should be noted, the Confucians were not nearly as controlling as the communists.¹⁶ Ultimately, the communists insist that everything must come from them. It comes from the communist identity founded on dictatorship with totalitarian overtones. Their belief in the end of history may have withered away, but their will to dominate has not.

The CEO points out another dimension. The Communist Party does not have a choice other than domination if it wants to stay in power. The mainland is hard to govern; there are powerful forces towards fragmentation. Without the exercise of systemic control, the Communist Party would lose control of society. Parentalism, then, is not just the Confucian version of the good society; it is a psychological instrument of control. By controlling what the population knows, believes, values, and most important feels, the Communist Party fortifies its power position.

REPRESENTATION

The Chinese editor of a government owned newspaper describes the role of representation and participation in government. Participation focuses around the five-year plan. The government decides what important projects to do and what GDP will be. The planning begins two to three years in advance to solicit input from various sectors, involving study groups across the country. The study groups collect opinions and forward them to a central working group. At this point, the media reports some issues to generate more opinions. The process obviously creates different views, he said. The Communist Party leadership receives the various views. Thousands of meetings consider all these views, resulting in a draft pre-

sented to the State Council. More government departments receive the draft and carry out even more reviews. There are several rounds during this consultation process.

Throughout the process, many differences remain, but opinions will gradually converge, he continued. This is a “democratic process.” Next the National People’s Congress (about 3000 people) will vote on it. They represent different sectors, including minorities and many different trades (for example, the foot massage trade). Voting is not important, deliberation is important, he said. The Congress divides into provinces, but they do not vote by province, they vote as individuals. Throughout the whole process, the media reports to the public. The public understands the process and reaches a consensus.

A Chinese executive, who did his graduate work in the United States and currently works for an MNC, gave a different view of representation. Taiwan, he said, has a good democracy. The air is clean, food is good, and the people kind. When one travels around Taiwan, one sees that the village people have representatives who fight for their interests. Their representatives fight aggressively for their constituents.

In China, however, there are representatives in the National People’s Congress, but no district people even know who they are. This is quite different compared to Taiwan. The representatives in Taiwan are accessible. In China, the population would work well with representatives, but they have no access. They use *guanxi*; it is the Chinese way, he said.

Discussion

The policy making process is quite different in China than the United States due to the lack of public debate and criticism, separation of powers, rule of law, and elections. The description above, however, of a conflict-free process is, in reality, not accurate. There is much conflict in the policy making process in China, though hidden from the public or plays out during the implementation stage where decisions are ignored, partially implemented, or changed.

According to the editor, the Chinese system is based on “convergence.” The top manages the “convergence” process.¹⁷ A process is created and opinions are collected, but ultimately top leaders decide the outcome not the “convergence” process. Top leaders hear opinions, measure resistance, and make their decisions. There is some “convergence,” the leadership does collect input and does incorporate some of the input, but ultimately the public does not know how the decisions are made. The outcome comes out of a black box as an edict. The process is very heavily weighted away from convergence toward the wishes of the top leadership.

The comparison with Taiwan, with its district representation and resulting conflict, contrasts with the Communist Party limiting representa-

tion and avoiding conflict in its managed data collection and review process. The Communist Party tries to present a unified front and picture of harmony in society to society for several reasons. By signaling there are no conflicts in the Party, they close off any opportunity for unsatisfied groups to use these conflicts as demands for political change, forcing these groups onto the much more difficult path of challenging the Party as a whole. The united Party image is also an attempt to model unity between Party and society. One reason the Party talks so much about harmony is they have so many unsatisfied customers. They seek to manufacture harmony where they cannot achieve legitimacy.

There is no better measure of the lack of harmony in China than the level of *guanxi* relations. By forcing conflict into hiding, the communists exacerbate the age-old double structure of Chinese society, one manifest, hierarchy, and one latent, *guanxi*. In this sense, China does not have a “one-party” political system. It has millions of “parties” in the *guanxi* system. By exercising repressive control and presenting an image of harmony, the Communist Party splits society into an almost infinite number of splinter *guanxi* parties. This is Chinese “harmony,” repressive control trying to keep the lid on a hidden small group sub-structure. The combination of a strong cultural center with intense small group attachments is one reason the dynastic system lasted so long. As long as the groups do not congeal in protest, the Communist Party can remain in control.

CONCLUSION

The Communist Party has an uneasy relation with Chinese society. Many people see this as arising from the “tinderbox” nature of society, that is, hundreds of millions of people have benefitted little from the China “miracle.” The fact that the Party recruit personnel from small towns and rural areas to ensure their ranks are loyal and reliable shows they do not trust the wealthy in large cities who have been the beneficiaries of their policies. The Party does not trust the cultural changes—for example, individualism, autonomy, and diversity—that have come along with the growth in wealth. As the Communist Party leads the modernization of China with the “China model” that President Xi says is on the “correct side of history,” the Party appears to face a heads they lose and tails they do not win situation. Both the winners and losers are threats.

The “political cushion”—that is, recruiting personnel from less developed parts of the country—shows an inherent contradiction between the Communist Party and Chinese society. It is a two centuries old problem for the Chinese pre-dating the communists, how to incorporate Western advances without losing the Chinese cultural essence? Communism is far from identical with the Chinese essence, that is, Confucian/Taoist/Buddhist culture. In fact, despite their current openness to Confucianism, the

communists spent much of their time as rulers mercilessly attacking Chinese religious traditions.

The Communist Party if they are anything are heirs to Marxism/Leninism and its values of populism, collectivism, and dictatorship. This is the rub: If Marxism/Leninism is legitimate why does the Communist Party need a protective cushion between itself and the most culturally modernizing parts of Chinese society? The answer is obvious. It does so because Communist Party values are inconsistent with the cultural values arising out of its own economic leadership.

What the Communist Party lacks in legitimacy, it makes up for in control. In addition to the loyalty cushion, the Communist Party uses a Leninist double organizational structure that inserts Communist Party cells into practically every organization in society. This provides them with many controls but perhaps none more important than surveillance. The Communist Party does not trust the population and uses an extensive system of surveillance to keep any groups from organizing against it or even organizing at all.

The double structure goes hand in hand with control over media, propaganda programs, education, restraints on civil society, a policy-making process that irons out opposing views, and so forth. The Communist Party maintains its governance through overwhelming control. It allows economic freedoms and cultural freedoms that are pre-political. In this sense, the Communist Party both controls the “tinderbox” and creates it through repression and corruption.

Yet the Communist Party cannot rule China through overwhelming force alone, even overwhelming force combined with the psychological controls mentioned. The government’s efforts to increase transparency show this clearly, not as an end in itself but as a means to get the population’s help in monitoring its own personnel. The effort both improves official accountability and builds legitimacy by showing the population that the government cares about its concerns.

As was noted in the data, most government campaigns work. The population voluntarily participates in them. There has been enthusiastic participation in the Anti-Corruption Campaign. The population hates the corrupt cadres. By increasing transparency, the government is giving up power to maintain power. This is the central paradox in the CCP dictatorship: Repression generates popular support. The government generates support by alternating both the focus and form of repression. In other words, the communists are virtuosos at playing classes against each other.

Parentalism and other psychological instruments of repression as well as fear play a role here, but there is also a split in the population’s experience of the government. On the one hand, while the population hates the corrupt cadres, President Xi and other top leaders are popular. This is partly due to the control of information (the Panama Papers were not

published in China, for example), and psychological manipulation, but the Confucian idealization of the father/leader is important. The Chinese are reluctant to see their top leaders in a bad light. They exempt the top leaders from the system that produced the corrupt cadre, even though the top leadership is a product of the very same system and is indeed the ones most responsible for it. It is as if the population puts the top leaders on a pedestal.

More than anything else, therefore, it is the Confucian cultural reservoir of family authority and the father's place in it, that holds Chinese political culture together. Fear, psychological controls, brute force, surveillance, economic benefits, and the great personal costs of rocking the boat are of great importance too, but the bottom line, the Chinese are Chinese, that is, they respect leaders until they don't. Their inclination is to form hierarchical social units and hierarchical relationships. The president is the father. They identify with him in this way. That is why the cult of personality is potentially ever ready. This explains the hated corrupt cadre and the beloved president leading them.

NOTES

1. Widespread corruption can be found all through Chinese history. Accounts given in the late Han dynasty (AD 100) could have been written yesterday. The aristocracy and upper classes were often exploitative of lower classes and always above the law. The Mandarin scholar officials who ran China for 2,000 years were also often corrupt. They were often paid little and above the law. One of the main reasons for the defeat of the Kuomintang during the Chinese civil war was their extreme corruption. Corruption is a driving force in the "cycle of Chinese history" model discussed in chapter 3, and itself can be found in Chinese literature for millennia. See Etienne Balazs, *Chinese Civilization and Bureaucracy* (New Haven: Yale University Press, 1964).

2. Dimitri De Boer and Douglas Whitehead, "Opinion: The Future of Public Interest Litigation in China," *chinadialogue.net*, August 11, 2016.

3. Data on citizens would be collected through surveillance cameras, facial recognition technology, and vast computer systems, much of it operated by private sector companies Alibaba, Tencent, and Baidu. Josh Chin and Liza Lin, "China's Tech Giants Have a Side Job," *The Wall Street Journal*, December 1, 2017.

4. *Ibid.*

5. Heilmann argues that experiment driven policy is fundamental to the Chinese Communist Party's administrative practice. The communists call it the "point to surface" method. Heilmann stresses the role of decentralization in experimentation to meet local needs, which is missing in the dean's example. Interestingly, Heilmann traces the methodology back to the Republican era and ultimately to John Dewey's two year visit to China in the early twentieth century. The Great Leap Forward and the Cultural Revolution too, however, demonstrate the use of this method. Hence, during the Mao era the method was primarily a top-down, ideology driven instrument. See Sebastian Heilmann, "Policy-Making Through Experimentation: The Formation of a Distinctive Policy Process," in *Mao's Invisible Hand*, ed. Sebastian Heilmann and Elizabeth J. Perry (Cambridge: Harvard University Press, 2011).

6. "[T]he glut of housing, industrial parks, and other projects . . . threaten China's economic health." Many of these projects never earn a return that covers their costs. Despite central government policies prohibiting both the projects and the bond sales

used to pay for them, local officials still find it in their interest to do them. Wuhan's mayor, Tang Liangzhi, earned the nickname "Mr. Dig Dig" from a recent spike in local debt to finance a "construction blitz." Lingling Wei and Bob Davis, "Debt That Once Boosted Its Cities Now Burdens Them," *The Wall Street Journal*, January 28, 2015.

7. The system for recruitment and promotion is the *nomenklatura* system. It is a system of lists denoting cadre positions. "All functionaries from county leaders or division-chief levels and above are classified as leading party cadres. [The cadres] constitute the Chinese power elite who dominate and steer the political system. [There are] about 650,000 [such positions in] 2015. [About] 4000 leadership positions . . . are directly filled and monitored by party headquarters." Heilmann et al., *China's Political System* (New York: Rowman and Littlefield, 2017), 115–16; Control over the selection and promotion of leading cadres is a key, perhaps the key, for exercising power in the Communist Party and in society generally. This follows directly from the fact that all political competition takes place inside the one-party dictatorship.

8. Heilmann et al., *China's Political System*, 117.

9. The NPC is "a gargantuan assembly with such a brief duration [it] is only capable of ratifying decisions made in advance, and it cannot introduce legislation or supervise the legislative process." Heilmann et al., *China's Political System*, 129; not much opportunity for professionalization in this description.

10. William T. Rowe, *China's Last Empire* (Cambridge: Harvard University Press, 2009).

11. Indeed, the peasant's age-old right to petition the emperor or other high officials was primarily a mechanism for the capital to collect information about the hinterland. The chance of the peasant actually receiving redress was remote. Simon de Beaufort, *Yellow Earth, Green Jade* (Cambridge: Harvard University Press, 1978).

12. "At the end of 2014, nearly twenty [Leading Small Groups] existed. . . . Since 2013, Xi Jinping has actively used the reorganization and remodeling of the LSGs to implement his reform plans more effectively. . . . Xi Jinping has taken on the leading role in four newly established LSGs (implementation of the 2013 reform program; national security; military reform; and cyber security), as well as in the three already existing LSGs (Foreign Affairs; Taiwan Work; and Finance and Economy)." Heilmann et al., *China's Political System*, 169.

13. "The main purpose of these central leading groups is to coordinate the implementation of policies across top decision making bodies. . . . [T]hey are primarily ad hoc." Cheng Li, *Chinese Politics in the Xi Jinping Era* (Washington, DC: Brookings Institution Press, 2016), 59.

14. Xi created a new LSG called the "Central Leading Group for Comprehensively Deepening Reforms." In 2013, Xi announced, "a remarkably ambitious reform agenda, encompassing fifteen areas, sixty tasks, and over three hundred policies will be fully implemented in three years." Li, *Chinese Politics in the Xi Jinping Era*, 60; This is a good example of the fast-changing relations between personal ambition, personal control, government structure, and government policy.

15. Xi Jinping mentioned in a speech that China's development is on the "Correct Side of History." *bloomberg.com*, "Xi Says China on 'Correct Side of History,' Urges Innovation," July 22, 2020.

16. Donald J. Munro, *The Concept of Man in Contemporary China* (Ann Arbor: University of Michigan Press, 1969).

17. Thorton describes the process as "manufactured public opinion." Patricia M. Thorton, "Retrofitting the Steel Frame: From Mobilizing the Masses to Surveying the Public," in *Mao's Invisible Hand*, ed. Sebastian Heilmann and Elizabeth J. Perry (Cambridge: Harvard University Press), 240. The goals are to legitimize Party rule and demonstrate popular support. Inside the Party, the process is hailed as "inner-party democracy," but it tightly constrains the exchange of views and makes it impossible to challenge the leadership's role or agenda.

FIVE

Censorship

Solzhenitsyn refers to the victims from the waves of Stalin's purges as rabbits. They were terribly ill prepared for what was coming to them: the middle of the night arrests, the fake charges, the incomprehensibility of the whole process, the sub-human treatment, the sudden fight for survival, and so on. What could have prepared the rabbits for this! Barbarism is not new on this earth, but communism seems to have a special express lane to achieve it. For nearly 30 years under Mao, waves of purges rocked Chinese society, not reaching the mass murder campaigns of Stalin but killing and torturing aplenty nonetheless.

In this chapter, I examine one aspect of the post-Mao, post-totalitarian Chinese political system that nonetheless carries on a totalitarian element to the present day, *system-wide censorship*. Censorship is a core totalitarian political element because it creates a false world, essential to totalitarian domination. It is only under the cover of a false world that the moral basis of human social life can atrophy to such an extent that an abstract nightmare replaces it and fills the daytime with prison camps, torture, and mass killing.

Censorship is no plaything even when it is not part of a social killing machine, but only a key element in a garden-variety dictatorship. In the case of China, censorship is both part of its totalitarian past and its dictatorial present. The problem it presents is far from merely denial of information. For one thing, the totalitarian past left scars on the people who went through it. This influences the nature of *self-censorship*, a key to China's current censorship regime. Self-censorship is not only a form of political prudence. It is a psychological defense against memory, memory of trauma and guilt. Censorship, then, involves collective memory, the spine of social identity and social aspiration. These are some of the issues explored in this chapter on censorship in China.

ACROSS THE BOARD

Data collected in 2015 and 2016 show increasing government censorship in every sphere of society. A Chinese journalist said that in the last 15 years the state has expanded at the expense of society, especially the last two years. Journalists must not cover taboo topics. The list of taboo topics was 10, now it is 20 to 30. New areas include human rights, Tibet, Xinjiang, freedom of speech, assembly, and press. For the East and South China Seas disputes, journalists get directives from the Propaganda Department. Their reporting must stick strictly to the official line. They get quotes from government organs. They cannot interview independent analysts. The space for journalism has been “severely squeezed.”

A Chinese law professor reported that free speech has been “hit hard” in the last three years; though, he added, peasants, workers, and many others do not care about free speech. A Chinese Singaporean executive noted judges criticize free speech during court proceedings.¹ This has created challenges for Western businesses.

A Chinese banking executive said a friend of his in Shenzhen ordered a book on politics from the Causeway Bay bookstore in Hong Kong. The book was illegal in China. The security services got wind of the order. They interviewed the man’s family and friends and then interviewed him. The Chinese call these interviews with the security services “being asked out for tea.”

A Chinese law professor reported the government increased restriction of religious practice in the last few years. A Chinese television producer said many shows are produced that are never aired. Now when he hires people, he not only looks for skills in commercialization, but also “political skills.” This is a change from five years ago.

New government restrictions even affect international diplomacy. A Chinese journalist reported life for American diplomats has become much more difficult. Their Chinese counterparts are less open to compromise and less open with information compared with 10 years ago.

Discussion

Chinese journalists, lawyers, and executives all report increasing government repression since President Xi has taken office. Their capacity to carry out their work as they have been carrying it out has been curtailed. The government has become more controlling and increasingly strict on what activities and speech are allowed, but, as a Chinese law professor reports, peasants and workers “do not care” about the repression. The journalists, lawyers, and executives do care. There is a split in Chinese society. Some in the educated professional classes do express preferences for freedom of speech while, according to the law professors

and other professionals, less educated and lower economic classes do not consider it a priority.

Of course, the vast bulk of the population are workers and peasants. The “middle class” is about 20 percent of the population. This suggests that if the Communist Party does not want to move in a liberal direction the majority of the population will support them. The main concern for most of the population, especially the less educated and lower economic classes, is economic. For these reasons, the Xi government can significantly increase censorship with little resistance, in addition to the fact that the Communist Party has overwhelming power in their hands.

Given the fact that most people in the professional and middle classes are primarily concerned about economic prosperity, it leaves only a small number of people concerned with political participation and freedom. While a split is observable in society, the majority favor or accept dictatorship. Despite a growing middle class, the harbinger of social and political change, their sandwiched position between a dictatorship and a huge underclass that does not share their concerns or success, leaves them happy to tolerate the former if it will protect them from the latter.

GOVERNMENT SECRECY

In general, few Chinese know what the government is doing or how it works.² A Chinese professor of agricultural economics said the government “knows everything” about the country’s agricultural system, but provides no information to the public. An American lawyer said there is a problem with numbers. For example, no one knows the number of state executions. The number is a state secret. In general, the level of secrecy has increased over the last three years. A Chinese law professor called the Communist Party a “complex animal” and a “dark box.” Statements like these are common.

An American lawyer whose job it is to evaluate government policies said,

In 2014 the government reported shutting down factories in Hebei Province. It is hard to tell why, or even if it is true. The media is used for propaganda. The speeches of officials keep changing. One day they emphasize GDP growth and the next day environmental clean-up. There are constant shifts in policy. If it is from factional infighting, that seems incredible. Maybe Xi just changes his mind. We don’t know.

When legal reforms are announced, we don’t know the administrative procedure they went through to create the reforms or the process for how the decision was made. For example, are the reforms cost effective? Who was involved in their formulation? There have been quite a few reforms carried out by the State Council Legislative Affairs Office, a major source of reform, but little has been implemented. It’s

astonishing how little we know. How were the decisions made? We have no idea.

We don't know who Xi meets with. Committees have become more important under Xi. We don't know the membership. It is secret. Is he a weak leader? Is he constantly responding to fires? We don't know.

Discussion

The Communist Party's separation from society, its capacity to create its own social space in which it carries out its own communal life, abounded with secrecy, is indeed, as the American lawyer remarked, surprising from a Western perspective. The separation, however, has a long history in China. Hill Gates remarked that historically it was as if the citizenry and the scholar-officials were different biological phyla.³ In other words, separation between state and society in China is an ancient tradition. Political power, in Chinese history, is elitist and separate. As the father ruled the family, the emperor ruled the state. As parents are separate from children in terms of age, knowledge, resources, and, above all, authority officials are separate from citizens. The emperor was further separated by his Son of God status, making him uniquely an emissary from heaven, both political leader and sacred figure.

France too had a long imperial tradition until the French Revolution turned political culture in France on its head, eventually leading to a democratic state. If France could make radical change toward a democratic political culture can China? France is a Western nation with its origin in Christianity and Greek democratic culture, both of which contributed to the rise of individualism in the West. Individualism was not cultivated in Chinese religious and political history.

Of course, China did have a revolution that threw off much of the Confucian and imperial heritage, but the separation between state and society continues under the communists. More change is possible, but the tradition of separation is deeply rooted. The tradition of separation is inseparable from the Confucian tradition, demonstrating a profound continuity between the Confucian and communist political cultures.

Taiwan, a Confucian culture, did develop a democratic system. Taiwanese democracy emerged out of the dictatorial Kuomintang power structure. Could the same development take place in China? For one thing, the Kuomintang system originated on the mainland but developed on Taiwan after escaping the mainland under extreme and threatening circumstances. The communists, on the contrary, originated *and* developed on the mainland, growing into their current dominant position. China is not dependent on the democratic United States for its survival, 112 miles from a giant dictatorship with a threatening posture and ideology, nor reached developed country levels in standard of living, educa-

tion, and political and intellectual pluralism. There is no reason to think China will follow Taiwan's path to democracy.

FALSE REPORTING

The Chinese government owns the major news outlets and closely monitors the ones it does not own. Its purposes in controlling information that the population receives are to control what the population knows and thinks, present their own activities in the best possible light, and remove any constraints on their power. For example, on August 26, 2015, using a VPN, I saw on Yahoo Finance that the Shanghai stock market fell an alarming 8.5 percent. The next day, the People's Daily, the Communist Party's central news outlet, led with a story on successful economic development in Tibet. In another example, in July 2015, CCTV presented China's island building efforts in the South China Sea as a humanitarian responsibility to help others. Six months later I saw Western videos that showed the islands had been weaponized.

Even soap operas have a political purpose. There are countless television movies showing the Communist Party fighting and defeating the murderous Japanese during World War II.⁴ The historical record shows the Kuomintang did almost all the fighting. A Chinese executive, educated in the United States, pointing this out, called it brainwashing. Through misleading accounts, the Communist Party always presents itself in a positive light. Since independent information is hard to come by, many external websites are blocked, and avoiding misleading information and discovering accurate information is difficult. In any case, based on my experience, only a fraction of educated people care enough to conduct a search.

Another problem is published statistics. A Chinese professor of finance, for example, said he did not believe the government's 6.9 percent number for GDP growth. He thought the real number was "around zero." CNN reported that most economists think the number is close to 4 percent. A Taiwanese executive said he had been watching the GDP number for years and guessed they were exaggerated by 2 to 3 percent. A Chinese professor of management who works closely with the government said it is impossible to know. It is also impossible, he added, to know the number of SOEs, their performance, or any number of things.

Almost no one I spoke with believed the government's economic statistics. Yet in the next breath, they would use them in conversation. The numbers may be off, but they are the only numbers they have. It was impossible to discuss economic conditions without using numbers. The government's numbers functioned as metaphors. They might not be trustworthy but at least they are suggestive. If they did not measure the economy, at least they could imagine it.

When the inaccuracy of numbers or any other information cannot be concealed, the Communist Party has three options for how to handle the discrepancies. For example, in 2015 the government said it was going to allow SOEs to expand into additional sectors of the economy. This appeared to contradict the government's 2012 pledge to expand the role of the market and private enterprise and shut down inefficient SOEs.

I asked a Chinese professor of political science how the population would respond if the Communist Party's expansion of SOEs hurt the economy and had a negative effect on private enterprise. He responded that if SOE expansion hurts the economy, the Communist Party will blame the "market" or blame the Americans or educate the populace to accept lower growth. If these efforts do not work, they can always close society down so people cannot get information.

One last wrinkle in the information manipulation practices of the Chinese government involves the use of false reporting inside the government itself, not just between the government and society. The catastrophic example of this is the false reports of agricultural production that local officials sent to Beijing during the Great Leap Forward, contributing to the deaths of an estimated 30 million from starvation.⁵ In less dire circumstances, as a Chinese professor of law reports, local officials withhold information from the central government or the central government forces local governments to create lies.

This shows that the manipulation of information is a common means used in the struggle for power between levels of government. No one, the law professor says, can resist this. Officials do not want to lose their jobs. In the provinces, electric power consumption is declining but the central government reports increases in GDP growth, he said.

Discussion

Information manipulation is not restricted to dictatorships. Five American Presidents misled the American people about the country's military involvement in Vietnam. The public found out about the false information when a whistle-blower, Daniel Ellsberg, released the Pentagon Papers. More recently, a whistle-blower, Edward Snowden, released information showing the Obama Administration had misled the public about government electronic spying inside the United States.

All governments more or less lie because it is in their at least short-term interests to do so and because they can, often quite easily. In China, whistle-blowers are rare because the government keeps strict control over the media and penalties are severe. Furthermore, the more control the government has over the media, the more opportunities they have to provide false information to the public or simply no information at all.

Eventually bad things happen and the government cannot conceal them. Using the same technique of false information, the government can

blame the market or the Americans or someone else for the problem. As can be seen in the data, many people in my interview pool do not believe the government, but not everything the government says is false. People in this group develop skills to distinguish truth from falsehood. It is not easy. It is an art form. Some people in business and government with strong interests in government behavior watch the news closely for clues about the government's intentions and future actions. So even in a news environment permeated with falsehoods, the context and form of the falsehoods and gaps in reports are clues to the truth for those with the knowledge and skill to interpret them. Different people hold these skills to different degrees. Usually only people with extensive political experience hold them to a significant extent. In other words, most of the population has limited ability to read between the lines.

A second means for finding the truth, more important than interpreting public information, is developing relationships with key insiders, what the Japanese call "insideration."⁶ This is as common as rice in China. Well-connected individuals can make a pretty penny capitalizing on inside information.

In situations where the government cannot control information they wish to control—say damage from an earthquake—they use other means to protect their interests. This might mean using the opportunity to scapegoat political competitors or any officials who became vulnerable because of uncontrollable true information. Bo Xilai's adversaries, for example, used his police chief's public run for his life to the American consulate, to give him a life sentence.

According to the professor of political science, if these methods are not working and the truth is a threat to the top leaders or to the Communist Party, the "nuclear option" to close down the society is available. This implies a significant tightening of all communications and significant punishment for those who cross the line. This would mark a move back toward totalitarian control. Since China had been under totalitarian control previously, and since the same political system with the same party is still in place, and led by people who experienced totalitarian power in their youth, an attempt to return is certainly in the playbook.

THE INFORMATION DIVIDE: YOUTH

With the central government and local governments routinely communicating false information, there are multiple social consequences. A significant portion of the population develops a distrust toward government communications. According to a Chinese law professor, this problem is particularly acute in the younger population. It creates a situation where the young do not believe the government even when they tell the truth, he said. The government is aware of the problem and is anxious to make

the young believe them. Only 10 percent of his law students believe what they see on CCTV, he said.

Discussion

Even in traditional societies, generational change takes place not only because of external changes in the natural environment or relations with other societies, for example, but because of the fundamental facts of human nature, birth and death. As one cohort departs, a new one arrives and develops. Transmission of traditions always brings change because the new generation must incorporate what they learn and experience. The process is complex. Traditions always change in transmission because of the nearly infinite number of experiences that must be integrated and internalized and the natural uniqueness of each individual. Change during the transmission of traditions always takes place to some degree.

In modern societies where great changes come about by transmission of information across societal boundaries, technological change, and the continuous creation of knowledge, for example, changes in societal traditions are very significant from one generation to the next. Still, though, not everything changes or can change. There is always some mixture of change and continuity.

The younger generations in China have access to more information than ever before due to the Internet, continuously increasing travel, and globalization. The Communist Party tries to keep limits on public information and information exchange as best it can. They continually update their strategy and their technology. The younger generations, as they engage the world, find themselves facing constant reminders or punishments about what can be communicated and even searched. Messages from the government to their cell phones are continuous reminders that some ideas and information are forbidden. Whether the individual continues to search for or communicate the information or not, a feeling of distance develops. This compounds the inconsistencies between what the individual knows to be true and what the government says is true.

The cognitive tension between the young and the state continues to rise, but like the generation before, the tension mostly remains in the cognitive domain or slips into sub-consciousness. The threat of state punishment leads most individuals to avoid trouble. The individual is also subjected to pro-state socialization processes through the educational, media, entertainment, and work systems. The cognitive dissonance is minimized through justifications—for example, external enemies are threatening—or accepted as “that’s just the way it is and nothing can be done about it” or denied altogether.

Yet the situation is a potential threat to the government and they monitor it closely and develop strategies to address it. The cult of personality is one such strategy.⁷ If one loves the leader figure, he minimizes the

inconsistencies between state and society. But in the context of the unavoidable nature of change in the transmission of traditions, long-term the Party is fighting an uphill battle. It is a hill that becomes steeper the more inconsistencies appear in the individual's knowledge compared to state pronouncements.

Currently the Communist Party is making a major push to narrow the gap by moving back toward totalitarianism. To protect its power prerogatives, it is reducing the freedom and enlightenment of the population. To a considerable extent, it can no longer control the flow of information, but it can try to discredit selected information and repress action based on it.

What impact will this have on generational change? The more the gap grows the more the Communist Party becomes the jailer and less the governor. Its socialist image has already taken a hit from the introduction of markets and the resulting inequality of incomes. Deng tried to paper over this fracture, but the society quickly embraced wealth as its core value; none more so than the Communist Party cadres. Thus, the Communist Party's legitimacy significantly rests on its capacity to engineer economic growth, maintain order, and resolve conflicts and problems, essential responsibilities for any modern government. For those who consider justice a key priority, its mantle of legitimacy is thin indeed.

The government's limited concern for justice and the gap between what young people know and what the government says is increasing pressure on the government to maintain economic growth. Many people who do not trust what the government says are willing to overlook the government's dishonesty if career and income opportunities are available. If the government fails to make these opportunities available, which, with a population of 1.4 billion, they inevitably do fail to no small extent, little remains to maintain their "moral" authority. For this reason, they are building up the police and security services with perhaps even more vigor than they are trying to create jobs.

One tradition that is stable and supports the government is nationalism or love of the nation. The Communist Party tries to reinforce these feelings and weave them into its own history and current performance. Nationalism is the greatest stabilizer, but it is difficult to tell where the boundaries are between nationalism, the need for social order, and the legitimacy of the Communist Party. In any case, with a growing information gap between what people know and what the government says, new generations must continue to wrestle with their love of country, fear of chaos, and the Communist Party's repressive grip on society.⁸

THE INFORMATION DIVIDE: INTELLECTUALS

In an environment where both truth and falsehoods are in ample supply, it becomes very difficult to know how to tell one from the other. For example, an American law professor mentions an outspoken Chinese law professor was warned about his criticism of the government. Next, the American hears that the Chinese professor has left China, taking a job at Columbia University. The American says he is wondering if the Chinese professor fled China or whether the whole thing was a set up by the Chinese government to insert their guy in the Columbia position. The professor could be very useful to the government in the Columbia position. There is no way to know, he said.

According to a Chinese law professor, the struggle to get accurate information is better now than 10 years ago. New technology has made it easier to get information. Despite tight control over the media, it is difficult to control the availability of information. The law professor gets all his news from WeChat. It is not convenient to sit in front of the computer all day, he says, but if he puts in the time, many new sources of information are available.

The central government, the law professor explains, has different channels of information than the population. They get information from the police, security services, and local governments, but he believes the central government does not know more than educated observers know. However, there are things educated observers want to know about the central government but cannot find out. They only hear rumors. Rumors, however, are better than no information at all.

Discussion

In the previous section on youth, some young people do not believe the government even when the government tells the truth. In the current section on intellectuals, an American law professor said there is no way to know when the government is telling the truth. In addition to forcing the population to guess at what is going on or grab on to the most appealing rumor, the result is some practical problems for both state and society. Governing requires making collective decisions that involve the population's buy-in and participation. If no one believes the state, the result must be some combination of societal paralysis, social disorganization as people place their own bets, forced compliance with government decisions, or more or less emotional reactions positive or negative.

Importantly, the existence of the population's disbelief is a factor in the characterization of China as unruly, requiring the iron fist. In other words, the government partially creates the situation that requires its martial response. The result is the stifling and development of civil society, leaving society with a singular source of leadership. Government

secrecy both enhances government power and contributes to social disorganization and dependency.

When the government must reverse its untrue statements and tell the truth as in the high-speed rail disaster, its reversal only confirms its penchant to represent its interests first and reality second. One hoped for solution to government dishonesty seen in the Chinese law professor's comment is that technology will provide an independent source of information. This is indeed true for people like himself who are sophisticated students of government, but most people do not have the time, skills, or inclination to sit in front of the computer all day to try to discover the truth.

Does this mean the intellectual class might be an independent source of information? Highly unlikely because this class has been monitored and controlled historically by the government and it is even more so for the communists.⁹ Recent reports suggest the Communist Party is doubling down on this prerogative. While liberal intellectuals are in a position to access and interpret new information sources, they cannot do much in the way of dispensing it. Academics can easily lose their positions for something as small as a remark in the classroom critical of the government.

The professor also states the government and the intellectuals have different sources of information. He mentions that the government has sources that the intellectuals do not have. This is certainly true but it is less easy to see what sources the intellectuals have that the government does not have, since the government has access to practically all the intellectuals' communications. Most likely, the government does not have the capacity to utilize *all* the information to which they have access. In that sense, the intellectuals have their own sources.

The government has its own traditions of data collection, analysis, and decision. The intellectuals have theirs. The differences result from different sources, orientation, and interests. Nonetheless, the intellectuals can carry out their own analysis and arrive at their own conclusions. This leads the law professor to conclude the intellectuals, knowing different things, know as much as the government. In some cases, this may be true as some intellectuals are more prone to rely on foreign sources and have access to their own local circles, but in general, it cannot be true because intellectuals face constraints in many directions, while the government does not. In addition, the government has unmatched resources for this work.

To a considerable extent, however, the government is far from a homogenous entity; one part often does not know the intentions or actions of another part. In a particular situation, intellectual observers might very well know more than some parts of the government, but as the professor says, basic information about the government is unknown. This is a huge point because the government has a huge role in China.

The intellectual class is dependent on rumors. In the best case, the rumors could originate from connections with insiders or less reliably, they could be similar to “leaks” in the American system, or just local observations or constructions created from social position, shared fragments, and personal proclivities. Sorting all this out is the art of political interpretation in China. For intellectuals and outside observers, as well as most insiders too, it is just another day in the office.

WHERE IS THE RED LINE?

The line that defines what the government will tolerate from what it will not tolerate is unclear. This is an important issue because when there is a violation, the government’s response can be severe. Academics say there are two rules for classroom and other public speaking: Do not criticize the Communist Party and do not criticize officials by name. Violations of these rules could result in arrest.

Criticizing policy is permissible. The American embassy warned an American professor his comments in the public media crossed the line. He requested a meeting with the head of the Communist Party at the university to clarify the boundary. The official told him he could not criticize the Communist Party, only their policies. At a conference at the university, the Communist Party head pointed out to the American that an economist’s remarks criticizing the one-child policy were permissible (it is worth noting the one-child policy was soon to end). A Taiwanese professor, however, said he told his class the worst thing to happen to China was the Cultural Revolution, but he added, he would never say this in front of a government official. Criticizing some policies is not acceptable.

A law professor said the line where the government will “crush you” is intentionally unclear. He said the ambiguity leads many Chinese to self-censor to avoid taking risks. Ambiguity, he added, has precedent in Chinese legal history.

Indeed, data suggests that the “rules” described above are far from clear. A Chinese management professor said in 2014 the government announced criticizing the government publicly is unacceptable, but he went on, no one can criticize it privately either because it is unclear where the boundary is between public and private. In fact, recently the Communist Party came out with an announcement that “group friends” on WeChat is *not* private; it is “public information.” He and his friends felt this was a violation of their privacy.

An even stronger sign of ambiguity in the government’s tolerance toward criticism came from a Chinese CEO. She said the government does not prosecute criticism of the government on the Internet, as long as one does not organize and take action. The government permits Internet

criticism to allow the population to let off steam. The CEO's statements are not true. The government does prosecute people for anti-government Internet postings. Nonetheless, there is a great deal of criticism of the government on the Internet. The government continually increases its efforts to eliminate it. So if one criticizes the government, they may be "asked to tea," arrested, or not contacted at all. It is a function of ambiguous rules and uncertain enforcement.

Ambiguity is an effective tool of power. Many Chinese self-censor. Jack Ma, for example, the former head of Alibaba, supports Internet freedom, but he advises the public against criticizing the government.

Some Chinese say the area where people can express themselves will naturally expand due to social change. Education abroad, increased knowledge from the Internet, increased travel, increased numbers of law graduates entering the court system, the history of China becoming better known, people becoming more knowledgeable generally, and growing wealth will naturally press against the limits on expression. A Chinese executive said it is becoming more difficult to brainwash people, though many people say progress is slow and has a long way to go.

Certainly, the government faces challenges in the censorship game. The population is huge, the country diverse, and access to communication technology ever increasing. It is impossible to control every individual's every expression. People talk to their friends about political topics, or do they? Some do, many do not. The government concentrates its efforts on the "public channel." Is there a groundswell of change building beneath the "public channel"? Certainly, there are pressures, but pressure for freedom of speech is not among them.

There are pressures on the government for accurate information. Because freedom of the press is so limited, during events that are important to the public like a disaster, the government comes under pressure to correct false reporting and provide accurate information, but according to a Chinese professor, it is difficult for the government to admit errors.

There are times the government is in greater need of public credibility. Misleading the public is not an option. For example, during a recent food crisis the minister in charge of food safety told the public the food is of the highest quality. An American consultant hired to advise the minister told him no one would believe his message. The consultant said historically the government always wanted to be positive. Their sophistication is developing. They need to balance credibility with their other goals, he said.

Discussion

The desire to be truthful is a measure of a government's civility. This is opposed to a government's complete indifference to the virtue of honesty. Is indifference possible? No. All governments want the public's

trust to reduce their own costs, ensure cooperation, and accomplish collective goals, but obedience is achievable without trust through various means that are far from civil, manipulation and force for example. The Communist Party's self-involvement, dishonesty, poor human rights record, rampant corruption, and general repression show a bias toward force over trust.

Yet they know without public support they could lose power and with public support, they gain power. They try to balance winning the population's approval with silencing any opposition to maximize their dominance. It is in their interest to secure belief to gain power, security, effectiveness, and legitimacy, but with little check on their power and minimal to no review of their decisions, the temptation is always there to have their way with the population. This is why few would characterize the Chinese government as civil. The need to receive belief is a check on the Chinese government, but they remain fundamentally autonomous and insular from society.

Tensions exist in the Chinese state-society relationship. Are they growing? Yes. Participation in the market, increasing wealth, increasing information technology, increasing mobility, and rising education levels are changing the population. The government is continuously adapting, but they have made efforts to freeze the role of the market, use technology to check technology, and continue to intimidate and socialize the population into obedience or emigration. Will these strategies work? They have so far.

It is interesting to note the professors who felt the government violated their privacy when they declared that WeChat groups were not private but part of the public domain. When I mentioned this to a Chinese executive, she was surprised to hear the professors' reaction. She said it had always been routine practice for the government to monitor WeChat groups. She took out her cell phone and showed me several WeChat groups to which she belonged where the government had deleted postings.

It appears the Chinese professors were expressing Western values about privacy, not their expectations inside China. Many of the professors had lived in the United States during their graduate studies. These professors would surely know the government's monitoring activities could rise or fall at any time having little to do with their "rights." Chinese with liberal values live a split existence in China. Their liberal values cannot become part of their social existence.

Jack Ma is an interesting example. He is a highly public figure. He wants to express liberal values but not really. By supporting Internet freedom and Communist Party repression at the same time, China's premier entrepreneur/business leader is a role model for self-censorship. His words straddle two worlds. His actions succumb to Communist Party domination.

SELF-CENSORSHIP

At the beginning of an interview with a senior Chinese professor of law at a top Beijing university, he said he would “keep the door open because I have nothing to hide.” He told me to take a seat with my back to the door, leaving him facing me and facing the open door behind me. About halfway through the interview there was some rustling in the hallway. He got up to check who was there. No problem. It was only a student coming for the next appointment. This is the psychology of self-censorship in China. He says he has “nothing to hide” but feels a need to keep the door open to demonstrate he has nothing to hide. Even then, he wants to know who is listening.

The law professor spoke with me for 90 minutes about a sensitive topic, government corruption. Even though the topic was government corruption and a huge campaign was going on with thousands of high level officials arrested, he said very little about top leaders, especially about their intentions. When I asked a direct question about the top leadership’s attitude towards the rule of law, he replied, “They want to move to the rule of law maybe, but are restrained. We are mere intellectuals talking about the rule of law. They have to manage the reality of it.” I felt that he and other Chinese intellectuals had developed an advanced capacity to self-monitor while they spoke. It is as if all speaking is public speaking.

In another case, a professor at Tsinghua University published an article in the *Financial Times* Chinese Edition criticizing the government, saying the Anti-Corruption Campaign is hurting society and has gone on too long. In the article, he asked Wang Qishan, head of the Anti-Corruption Campaign, and the rest of the Politburo Standing Committee, to publish their real estate holdings, Swiss bank accounts, and the like. The government did not respond to the article, but Tsinghua University told the professor to “shut up.” Tsinghua has a close relationship with the Communist Party.

It is interesting to note that before writing the article, doctors told the professor he had stomach cancer and six months to live. “He saw death and became very outspoken,” according to a colleague. Such is the grip of self-censorship on Chinese intellectuals. This was two years ago. The professor is still alive. Doctors have now told him the diagnosis was wrong. He did not have stomach cancer. He stopped publishing criticisms of the government for a while, but started again. In 2019, he lost his teaching position and was threatened with further investigations.

A third example of self-censorship involves a Chinese editor of a government-owned newspaper. When I asked him about government censorship at his newspaper, he said it has never been an issue. Outside China, he went on, people thinks the government censors the paper but this office decides everything that goes to press. Outsiders say the paper

only prints good things about China but that is not true. The paper seeks to be constructive. It is a stakeholder. Its role is not just to expose and destroy. Its more important responsibility is to build consensus. In practice, he concluded, it is not a big issue.

Discussion

Certainly different societies can reasonably have different standards of journalism. Certainly, the values of constructiveness and consensus building have a role to play, but this chapter has shown that the government routinely communicates false information and routinely conceals information about its own basic decision making processes. What does “consensus building” mean in this context?

In the first case, the law professor engaged in self-protection but denied it—“I have nothing to hide.” In the second case, it took the Tsinghua University professor the fact of impending death before he released himself from self-censorship. In the third case, the editor seems “brainwashed.” He has internalized a set of beliefs that leads him to support all Communist Party positions, removing any type of critical thinking from his thought process.

Another defense-mechanism people use in support of self-censorship is selective attention. A Chinese journalist mentioned that it is now possible to file a lawsuit against the Communist Party Discipline Inspection Commission that runs the Anti-Corruption Campaign. This is a “huge” development, but journalists do not write about it. The Commission is very powerful, pulling people off the streets, scurrying them off to hidden locations for detention and interrogation.

In this case, journalists ignore improvements in accountability in a dictatorial system where accountability is very limited. Possibly an anti-corruption campaign faction inside the government pushed through the law but met immediate opposition publicizing it.¹⁰ According to the journalist, the law could potentially advance civil rights. Because of self-censorship, its potential is not tested.

Another aspect of self-censorship is its relation to *face*. When I was watching CNN’s coverage of an enormous chemical explosion in Tianjin, exactly when the American reporter started discussing the toxic chemicals involved in the blast my TV went blank. I turned to other channels and they were all still operating. When I asked a business school dean about this he said China is ashamed to tell a bad story about itself. He added, “bad news in the family can’t be told outside.” In other words, censorship, self-censorship, and power relate to the act of saving face. To a significant degree in Chinese culture, the capacity to command ritualized deference behavior is a source of power.¹¹

A second cultural reason why the Chinese self-censor is distrust. Distrust is widespread in China for a number of reasons. Distrust inside the

government, for example, can arise nowadays because one's background is not sufficiently red. Recently a journalist was unable to earn the trust of his colleagues at a government-owned newspaper because he had been educated at Jesuit schools. In this case, the journalist resigned from the newspaper. Some individuals conceal their backgrounds to avoid this outcome.

Finally, the question arises, will self-censorship decline if China moves towards an open society? Will a culture develop into demanding accurate information from those in positions of power and tolerating social and political differences? Will individual autonomy expand at the expense of collective face?

As mentioned above, China's long march towards an open society may never take place,¹² but it is worth considering what if it does. What if the current period of repression is only temporary followed by further opening? What if the middle class demands more say in governance, the liberal wing of the Communist Party rises in ascendancy, controls over journalists, educators, and lawyers are loosened, and an air of government transparency is accepted as right and proper?

If these remarkable conditions come about, the security forces will no longer enforce repressive standards of public and private expression. Over time, fear of mistreatment and prosecution will decline. The fear that grips Chinese every day will decline. Inevitably, self-censorship would decline.

All of this would require institutional change and changes in the patterns of government actions that new institutions would bring about. It is certainly possible as can be seen in Taiwan. Do the cultural sources of self-censorship present a problem? Face is a profound cultural form deeply embedded in Chinese social psychology. It is part of the collective and ancient nature of Chinese civilization. Will institutional change bring about cultural change?

Certainly, cultures change, but they do not change totally. They move along tracks; their origins evolve, change, but never disappear.¹³ The collective nature of Chinese society, its emphasis on relationships, can evolve, unfold, but not disappear as if it never existed. If a sociopsychological emphasis on relationships and face remain central to Chinese culture, there will always be cultural support for self-censorship in what will remain a fundamentally hierarchical culture even after the introduction of democratic institutions. Taiwan is still Chinese.

Nonetheless, democratic institutions and a decline in government repression will take the boot off the Chinese people. Without severe repression, the gap between the generations will widen. New generations will explore new ideas. Now the main political changes in China are changes in the Communist Party's strategies of control as they try to maintain their dominance. If the government lifts these draconian measures, change underway in the economic and cultural spheres will spread to the

political sphere. Political action will follow entrepreneurship and cultural expression into an exploratory mode.

MAKING CITIZENS INTO CHILDREN

An American professor who lived in China for three decades said, “The greatest crime the Communist Party committed against the Chinese people is that it made them infantile.” They do not know history. They believe naive things. This striking accusation involves government censorship and self-censorship.

Parents, the American continues, do not tell their child about the Tiananmen Square massacre because there is no advantage to doing so. This information cannot help the children. Not telling them is protecting them. This attitude has made generations of Chinese not know reality. Instead, they believe in “falsehoods and make-believe.” To know about the Tiananmen Square massacre is to lose their innocence. Instead, they are innocent like children. Many see the world (and the Communist Party) as all good, he said.

My undergraduate students at Peking University in 2015 to 2016 were very smart, all had VPNs to access foreign websites, and all had traveled abroad. Yet none of them knew there were tens of millions of deaths from famine during the Great Leap Forward, let alone that it was government created. They all said they had studied the Great Leap in high school history classes.¹⁴

According to a Taiwanese executive, the government tries to fool people and most people do not know this. A Chinese political science professor said the population is quite gullible despite all their new international experience. A Chinese Hong Kong executive adds that mainlanders do not exercise rational judgement on their own. They just believe what they read. The Internet can educate, but it can also manipulate, he said. A Chinese manager returning from abroad after years away said the Chinese do not see differences between China and the outside world. They live in a “small world.” This data questions whether the great increase in information in China is leading to self-reflection and critical thought.

Discussion

There are a number of issues in this data. First, not all Chinese have access to new information and of the ones who do not all use it to deepen their understanding of China. Second, the political environment and culture function to create *no-go zones* where many Chinese do not think about historical or contemporary issues. Third, these no-go zones enforce tacit self-protective mechanisms that allow adults and children to avoid the attention of a vast system of informants and ultimately the security

services. Fourth, surrounding the no-go zones is government propaganda. This is a systematic and massive effort through the media, entertainment, education, and work environments. The result is many people who do not search out information on Chinese history, do not question prevailing government formulations of China's past and present experience, and tacitly accept a barrage of messages arriving through multiple platforms.

With these internal and external experiences, many Chinese who go abroad and have access to new information take the no-go zone with them. Travelers enjoy international experience but do not always process it into critical comparisons with China. Some young Chinese struggle with their new experiences and try to integrate them, but they run into two problems. The differences between "collective" Chinese culture and "individualistic" Western culture are significant. They are difficult to integrate. Many Chinese students appreciate the institutional strengths of American democratic institutions up to a point, but the underlying individualism in these institutions creates unbridgeable gaps to their personal, social, and political experience back home.

Second, once back in China those influenced by their Western experiences overtly or covertly feel conflicted in their relationships with family and friends, let alone the broader institutional environment. To fit back in they have to compartmentalize their new experiences or reject them. Chinese who experience change living abroad return to China to face significant psychological and sociological challenges. One reason they return is for family and friends. They also feel comfortable in their home culture. To maintain their social and psychological integrity back in China, many distance themselves from their Western experience.

Hence, the problem is not one of gaining information or experience. Even Chinese who seek to integrate their Western cultural experience face significant challenges. To make use of their new experience would require a strong introspective capacity, something not typical in Chinese culture. Relatedly, they would need the capacity to compare cultures, particularly to explore their moral differences, but Chinese culture is very concrete, rooted in direct relationships. Additionally, very often when Chinese students come to the United States, they form Chinese social groups, living primarily inside Chinese culture while abroad. For many reasons, then, Chinese do not often have transformative experiences living abroad. For the few who do returning home is often a problem not an opportunity.

MEMORY, TRAUMA, AND GUILT

Propaganda, manipulation, and fear become much more psychologically powerful when combined with violence. A Taiwanese executive remarks about his relatives in Beijing,

I was dumbfounded when I returned to China. My family here suffered through the Cultural Revolution. A cousin was badly beaten in Sichuan. But now they seem fine. They can talk about it in a down to earth manner but that's it. Maybe they don't talk about it. They only talk about World War Two; it's the only thing, because the government approves it. Other things they don't talk about. It's good sometimes. It heals with time. If they talk about it all the time, it won't heal. It's a different way to heal. Not talking is not from fear.

Discussion

This reflection by a Taiwanese executive, whose father fled the mainland in 1949 when the communists took over, is rich in implication. Talking about severe trauma in a “down to earth manner” suggests the emotional content is missing. In other words, the trauma is still active. The mind is still working to control it. The fact that they “don't talk about it,” supports this view.

Importantly, they do talk about World War II because the “government approves it.” Here we see “the government” functioning as an internal censor inside the individual. I think it is fair to say this is totalitarian in its occupation of the individual's conscience.¹⁵

The executive is wrong to think the suffering that took place during the Cultural Revolution will heal with time. Exactly the burying of the emotional content makes the experience timeless. Without reflecting on the experience and working through the pain it caused, it will never change; most likely, through parenting, it will affect future generations.

Psychological trauma can endure a lifetime, especially if the experience is forgotten, ignored. The amount of killing, torture, rape, famine, and destruction that the Chinese people suffered in the twentieth century is enormous. The Cultural Revolution alone traumatized millions of people.¹⁶ Students during the Cultural Revolution are roughly aged 55 to 75 now. In other words, many people in leadership positions today lived through the Cultural Revolution with its waves of suffering, death, destruction, humiliation, and chaos.

The violence psychologically traumatized a portion of the Chinese population. For those people, challenging authority, even questioning authority, could be difficult because it would activate the forgotten pain long buried, ignored. These people are in no position to criticize the government or even spend energy questioning it. Even though most scholars believe the totalitarian period more or less ended with Mao's

death, the effects of this period have not ended. What was external is now internal.¹⁷

The Taiwanese executive's belief that time will heal is a defense against feeling the pain that his relatives experienced. His relatives speak about traumatic experiences without feeling. These feelings have not disappeared. They are missing, buried from consciousness because of the pain they cause. Certainly not all Chinese are in this condition. Many speak about this period with great bitterness. It is also common to hear successful executives and professionals attribute their success in life to the great hardships they endured during the Cultural Revolution. They see it as a source of superior motivation and resilience.

It is important to note that the Party that caused their suffering and brought them to a state of totalitarian bondage is still in power. This is a very important reason the experiences of the Cultural Revolution are difficult to address. The Party enforces its own narrative, which, very importantly, includes exonerating Mao Zedong, who was the primary instigator of the violence. The Communist Party's relation to its past, including the Cultural Revolution, is one of repression and manipulation. Under these conditions, the state uses power to control memory and force silence in the interests of creating the "individual" to ensure its dominance.¹⁸ This is a useful definition of totalitarianism in the China context.

Totalitarianism has a half-life. It continues to resonate emotionally in the life of a population long after the totalitarian terror, brainwashing, and killing ends. This is an important reason why the Communist Party can retain its monopoly on power. Many Chinese are in no psychological condition to challenge it. In fact, some people who have suffered greatly in the past idealize the Party today. They are the Party's strongest supporters. They seem to have kept the ideals in front of them, while minimizing or forgetting the Party's extreme brutality. Not just trauma forces them into this condition. Guilt is involved too. They participated in and carried out violence during the Cultural Revolution or the endless waves of campaigns that preceded it.¹⁹

What effect does this situation have on those born after the Cultural Revolution? Many parents profoundly impacted by this prolonged and violent event, did not discuss their experiences with their children. Some individuals, who experienced trauma during this period, went on to raise children.²⁰

When traumatic experience is "forgotten," it does not mean it has no effect. Quite the opposite. The mind will defend itself by keeping the disturbing contents hidden, as tree bark grows around the damage from a lightning strike. Though the painful contents are "missing," they still affect the personality. In the former case, where the contents remain conscious, but lose value or feeling, overprotection of children may result disconnecting them from reality. In the latter case, where the contents are

not remembered, children may be encouraged to repeat them as was seen in the families that were traumatized but hold the Communist Party in the highest regard.

INTERNET CENSORSHIP

Internet technology is the single most significant factor in the censorship space. A Chinese journalist said that the Internet has changed society. It has forced the government to become more tolerant than it was 10 years ago. A Chinese law professor said, every year millions of young people learn English and access the Internet. They will be “changed.” In 10 to 20 years, they will be government officials. This will change the nature of government, he said. However, a Chinese professor of political science argued that as Internet access increases, so will the capacity of the government to control it. As described earlier, the government has multiple ways to influence the make-up of government officials.

The government is indeed upping its game. A mainland Chinese manager living in Singapore whose father is a mainland talk show host said the government is very clever about what they allow and what they censor. They now use the same language as young people. It is no longer top-down; it is now much more creative.

A 30-something Communist Party official with a master’s degree in communications from a Western university said,

The Communist Party is much more transparent. Younger blood is coming in who went to school in the West. People understand that transparency matters. It is a necessity to integrate with the world.

For example, everyone knew China is building an aircraft carrier for the past decade, but the military denied it. When a communications guy asked them why not report it, the military asked what should they say? It’s not that they wanted to conceal it. They just need a mentality change.

Government officials know that things they hide people can find on their phones. We need new ways to interact with the audience. The Internet is putting pressure on the government to change. It happens a lot that someone takes a video of an official driving an expensive car, wearing an expensive watch, or eating at an expensive restaurant and puts it on the web. The official gets sacked.

Importantly, after this long and interesting interview, when we went to leave the out-of-the-way coffee shop where we were meeting, he told me to “leave first.” A few hours later, I received an email imploring me not to identify the interviewee in my research. The new transparency that he describes is more what he wants than what is.

Clearly, the Internet has changed the quantity of information and information sources available in society. The state can control access to less

information. For example, after the 2008 Sichuan earthquake the government did what it always did, blocked information, but very quickly, the public learned “almost everything,” according to a Chinese law professor. Using the Internet, the public was able to put “huge” pressure on the government to help the victims and investigate the shoddy building construction, he said.

Yet the government is not without capacities to control the Internet. In 2015, CCTV reported the government closed 5000 websites and two million accounts. The reporter is a cyber-security expert at Tsinghua University. He said the government’s goal was protecting less developed countries from more advanced countries. In other words, the West is victimizing less developed populations by manipulating electronic information but the Communist Party is fighting back.

Discussion

The Tsinghua University professor’s comments seem outdated. Many governments as well as private organizations and individuals publish false information. The main difference between China and the West is the Chinese government shuts down all websites that it finds unfavorable to its image and interests. Justifying shutting down accounts because of the West’s machinations to manipulate “less developed nations,” is evidence of the Chinese government’s use of “foreign threats” to justify its own repressive policies.

A Chinese management school dean who works closely with the government said the level of government control continues to increase. He mentioned that he sees in the government’s pronouncements on Internet violations “the old Cultural Revolution language.”

The Cultural Revolution was a totalitarian movement. It was an effort to control the population, through their thoughts and values, where that was not possible through violence. The fact that Cultural Revolution language has reappeared shows that totalitarian impulses are still present in Communist Party thinking. The fact that it is reentering the political field through the Internet, measures how much it threatens the dictatorial regime. The Internet has a special relationship with totalitarianism in that its uses include radical decentralization or radical centralization. In China it has great significance and bears close monitoring. It could be the canary in the coal mine for political shifts towards totalitarian organization.

A European consultant mentioned that when the government blocks an entire service provider, thousands of other sites are also blocked. Sometimes it is clear why something is blocked—for example, a post on the rural poor or a protest against the government or a video showing police brutality—but often it is not clear—for example, they block the Southwest Airlines site even though they do not fly to China.

In addition to the thousands of workers the government employs to monitor the Internet as well as technological monitoring, they still encourage a part of the public to report “suspicious” posts in WeChat groups to which they belong, according to a Chinese banking executive. This not only greatly expands the government's surveillance capacities it puts another stake in the coffin of civil society.²¹ By increasing distrust between citizens, the government weakens society and the capacity of groups to form, organize, and resist. Of course, the Chinese are famous for informal networking, but these networks often remain small and often include officials. In any case, the government watches all groups closely.

A key tool individuals use in the struggle to access information is the VPN that allows one to skirt around the government firewall and connect to all foreign websites. Every student, professor, professional, and business executive I knew had a VPN. For the most part getting access to foreign websites is easy. I faced restricted access to foreign websites when I arrived in China but then purchased a VPN online from a United States based company for \$70. This worked perfectly for six months until the Communist Party began the National People's Congress in March 2016 in Beijing. My VPN, as well as most but not all others, went dead. The government had increased their suppression efforts. I was down for about a week until a Chinese undergraduate student majoring in computer engineering recoded the software connecting me to the university server. Then for the rest of the year I had access to all foreign websites without a VPN. From these experiences, I concluded that there are multiple ways to get around government Internet censorship, but if the government so decides they can significantly increase their Internet suppression.

EDUCATION SYSTEM

By all accounts, the Communist Party exercises significant control over the education system to control the population. A Chinese professor of political science said,

The Communist Party leadership controls the population through the education system. They teach loyalty to and dependence on the Communist Party. It is the worst thing they do. They do not let people develop. They do not teach independence. It's like seeing a group of people who cannot swim. Instead of letting them go to the water and learn how to swim, they build a wall around them so they can't get to the water. Then they say, “You can't swim so we will protect you from the water.” The Communist Party keeps the population in a child-like state through the education system.

Education, the professor continued, is very important when people are young. It has a big impact on their values. Currently there is a big effort to teach political values in primary school. When these people grow up, these values will dominate their outlook. When political values are dominant in a society, the society will always be radical and will move toward revolution. This is the same as the Mao period when people were taught to believe everything Mao said.

A Chinese law professor agreed. He called it “brainwashing.” He said Marxism is growing stronger. Just recently, a new building at Peking University was named after Karl Marx. Interestingly, in 2016 CCTV reported that even though China has ideological education from pre-school through PhD, graduates have “rampant disregard for morals and poor civility.”

Discussion

According to the political science professor, education is the master key to the Communist Party’s control over society.²² At the center of the Communist Party’s control system is the creation of obedience, loyalty, and dependence through the indoctrination of ideas, worldview, knowledge, and feelings of attachment to the state. Many Chinese do not criticize the Communist Party. Many Chinese have positive feelings towards the Party. They see the Party as protecting them against foreign threats and domestic disorder.

The withholding of swimming lessons analogy the professor uses implies a great docility among the population. The Communist Party makes all the decisions. The population wants only protection. Yet education is greatly valued in Chinese families. Why would they give it up? One reason is they do not know the extent to which education is indoctrination in China. Another reason is they have been educated to value “harmony,” to see education as the creator of collective order. Third, their primary interests in education is its role in future income generation. They want education to give their children an edge in a very competitive society. If they can see a connection between education and wealth, it is acceptable. They do not value independence as an end in itself. They do not connect education to indoctrination.²³ They connect it to competitive advancement. In other words, to the population indoctrination is some combination of invisible, valued, irrelevant, and accepted.

The political science professor’s second set of comments go in a different direction. He states that teaching “political values” to children shapes their values when they become adults. Not economics but politics will become the individual’s central concern. If this comes to pass, the intense focus on wealth-making over the last three decades will have been but a phase. “Political values” will motivate the population and keep them focused on the Communist Party as the singular vehicle for political lead-

ership and action. The standard of living will have risen but President Xi's "moderately prosperous society" will temper expectations. The period of unbridled pursuit of wealth will end. The "window will close" as the population foresaw all along.

The individualism that markets stimulated will decline. The ancient collectivism will reassert itself in its current form, Maoism. Obedience to the Party, to the Party's ideals, will organize the populace. There will be resistance to this reversion. This will only justify the need for stiffer political resolve to meet political ideals. The government will identify enemies. Prosecutions will commence. There are signs of this in the current Anti-Corruption Campaign, in its breadth, duration, and justification. Some Chinese speculate that this is what is indeed happening. If the Communist Party is moving in this direction, can they pull off this transition to the past, and to what extent?

Even though statements like the CCTV quote will justify stricter education and political repression, the question must be asked, if it is true that graduates have "rampant disregard for morals and poor civility," why is it so? First, I should say my experience with Chinese students is they are more polite than American students. With that said, why would the behavior of graduates be so bad? I heard similar comments about the poor morals of youth in Shanghai in 2007. Curiously, I did not hear these types of comments in Beijing in 2015 to 2016.

In the 2007 comments, people pointed out a decline in respect for elders and sexual promiscuity. Sexual liberation seems to be part of the post-Mao social contract.²⁴ The population is free to make money and participate in a diversity of cultural activities, as long as they stay out of politics. Sexual liberalization is one of the permitted activities. What better ways for the Communist Party to channel human energy when they close off political participation than economic, cultural, and sexual freedom? Importantly, the Xi era is cutting back on cultural freedom, another sign of the lurking figure of totalitarianism.

The fact that CCTV is using moral condemnations to describe graduates could be part of the swing back to the politicization of society. Indeed, despite policy statements to the contrary, for over a decade the Communist Party has frozen the expansion of markets. Their economic architecture has reinforced the role of the state and state ownership in the economy. Control of the economy will keep the Communist Party at the center of the social structure. Moral criticism and attacking corruption will reestablish them at the center of culture. The Party, while never gone, did retreat, but is now returning. To what degree of dictatorship is it moving?

EDUCATION AND FREEDOM

Confucian hierarchy is mostly intact inside Chinese universities. Chinese educated in the West say the difference in teaching methods between China and the West is vast. In the Chinese classroom, there is one voice that cannot be challenged, according to a 40-something Chinese executive who did his graduate work in the West. The “free thinking and free talking” in his Western classroom “gave me a lot of shock.”

The Internet can challenge the education system for those interested in searching for different viewpoints, but the Internet is not a magic wand. Once when I was giving a lecture to Chinese graduate students on civil society in the United States, particularly its autonomy from the government, and how this was a different social system than in China, a student disagreed. She said in another class a Chinese professor had lectured that the *danwei* work group inside SOE operates independently and is comparable to American civil society. This comparison surprised me and as I thought about how to respond, I realized an adequate response would involve many different issues and take some time. Seeing this or that information on the Internet cannot easily change years of education reinforced by complex social and organizational contexts that support, even require, this education.

Another relevant aspect of the educational environment in China is the political risk. At Peking University, a Chinese management professor told me his colleagues do not want to talk about the Anti-Corruption Campaign because the Communist Party is at the university and one can have problems. He said the situation is even more difficult in the schools of government and sociology. They must be very careful.

At a Beijing public high school the principal told the teachers, they could not discuss five areas with students: student movements, Western China, particularly Tibet and the Northwest, the Communist Party, gender/sexuality, and religion. When foreign teachers started raising questions, the principal asked the Chinese teachers to leave the room “to protect them,” because otherwise they would have to report the questions and the answers to the government. The principal also told the teachers that undercover police enter the building at any time and eavesdrop on classroom conversations.

Finally, parallel issues arise for research. A Chinese doctoral student in communication, just finishing her PhD at an American university, said communication studies in China is a sensitive area. The government controls what you can study, funding, and what you can say. So even though the universities in China are hiring, she took a job in the United States where her work would be more her own. She worried that after her American training, it might be hard to adjust to China. Communication is culturally specific. China has a long tradition, philosophy, and history in this area. Communication as a field in China is Party communication.

Discussion

The Chinese university system has greatly expanded in the last two decades. Many professors of management where I worked at Peking University received their PhDs in the West, mostly in the United States. Law professors with whom I spoke also either received their law degrees abroad or spent time abroad at Western universities. Yet the data presented here suggests Chinese universities still have quite different learning environments than the West.

To a significant degree, in many Chinese classes the professor's lecture structures the class, student note taking, and the final exam. There is little to no discussion, debate, or student exercises. According to the executive, the professor is an unchallenged authority. This is consistent with the ancient Confucian hierarchy, where an unquestioned body of knowledge is the end of education and a hierarchy of state-appointed experts controlled entry into their ranks by creating and evaluating exams.

Second, the educational environment is highly politicized. In my data faculty are required to report on the behavior of other faculty, it is dangerous to discuss certain topics even between professors let alone in the classroom, and the government controls hiring, promotions, and research funding. Chinese universities are highly controlled environments.

Take for example the faculty fear of discussing, even between themselves, the current Anti-Corruption Campaign. The management professor mentions that faculty in sociology and government must be especially careful. The Anti-Corruption Campaign is massive. It is the most important political and institutional activity going on in China. Yet the two academic departments most concerned with this area cannot openly discuss it. If they discuss it even privately, it is risky to express opinions other than positions with government approval. In other words, on these important topics faculty cannot explore the truth. They must function within the world of government propaganda.

Learning requires assumptions and passion. All research and learning must start with inarticulate frameworks that begin the process of inquiry and passionate curiosity that propels it in a given direction.²⁵ Great discoveries have come from people who went their own way, who challenged accepted pathways. Censorship in China is a counterweight to the learning process in obvious ways but also in invisible ways, where unproven hunches and confident feelings that spark and drive the process of exploration never get beyond an internal thought if that. It is on this level that an environment of repression and fear cause the worst damage.

THEY MUST DO IT

Some Chinese professionals were sympathetic toward the government's censorship practices. The mainland manager who had moved to Singapore believes the rural areas need censorship. It is too easy to manipulate rural poor. It is the nature of Chinese culture that "people believe in things bad or negative." They think the government is not telling the truth, she said.

The government, she believed, has a "tough job." There is a Chinese saying: When one reaches a certain income level, one will be civilized. There are huge disparities in income in China. It is quite difficult for the government to tell the truth everywhere because different parts of the population have different capacities to evaluate information. She and her friends laugh when they see factually incorrect information go viral on the Internet.

China is such a big country, she continued, it is very difficult to rule. President Xi is under a lot of pressure. He opened the media industry. Freedom of speech "is the way to go." Only four countries are blocking Facebook: North Korea, Iran, Cuba, and China, she said. Google is back in China. She and her friends are waiting for freedom of speech to arrive.

A French entrepreneur who has lived in China for a decade also said, similar to many other Western executives, he can appreciate the government's position. The government wants to prevent the spread of ideas that may cause unrest. They repress ideas about Taiwan, Tibet, Hong Kong, minorities, and so on. There are 1.4 billion people with vast disparities between people and regions, he said.

It is tough, he continued, to manage the country. The government fears chaos. They do what they can to prevent it. In the government's view, blocking the Internet is a small price to pay. It is similar to Trump's approach to stop immigration. It is a blanket approach, he said.

Discussion

The Chinese manager in Singapore paints a picture of poor rural folk as childlike. Their lack of wealth keeps them from rational thought. It is easy to manipulate them. They are not trustworthy to have full access to information. The government is right to censor them. It is required for public stability.

On the other hand, she says, the wealthier classes are waiting for freedom of speech and full access to information. They should have it. The Chinese government is no better than North Korea and other dictatorial regimes. Censorship is declining and it is best if it continues to decline.

It is very common for middle class Chinese to present these views or ones like them. Only the wealthy deserve freedom because they have the

capacity to discriminate truth from falsehood and process information rationally. To the extent the basic needs of the wealthy are met and the poor's are not, the wealthy will indeed be in a better place to achieve rational thought, but this level of destitution applies to less than 10 percent of the lower classes. The blanket statement about the pre-rational nature of the lower classes is exaggerated. Neither wealth nor the education wealth can buy, makes a person moral.²⁶ The wealthy can act selfishly and dishonestly as much as the poor. In the middle-class narrative, virtue is intelligence and intelligence is a function of wealth. Virtue, intelligence, and wealth define the difference between rich and poor, or, more precisely, between urban and rural.

China was an agricultural society for thousands of years. Most of the populace was rooted in the land, in rural areas where farming, family, and village intertwined in a complex cultural system that was the foundation of one of the world's most enduring and prosperous civilizations.²⁷

This basic model changed little and was ill equipped to fend off a radically different Western civilization that had developed superior economic, scientific, and organizational capacities.²⁸ China's social system not only could not compete, it could not protect itself from foreign incursion and abuse. Like the rest of the world, China had no choice but to imitate Western institutions. Unlike Japan, China struggled mightily adopting Western cultural forms.²⁹ This contributed to almost two centuries of suffering.

Despite the fact that China has once again become a world power, it still rests very uneasily with its past. It achieved top power status by adapting the West's *economic* systems to its needs, not their cultural and political systems. Its culture is a complex and uneasy mix of old and new, east and west, market individualism, socialist collectivism, and traditional values. The politics is a continuation of its ancient Confucian hierarchy, radically transformed by Lenin-Stalin-Mao one-party dictatorship.

The communists under Mao united the country, under Deng created great wealth. Out of despair and loss, a new middle class has risen that defines virtue in terms of wealth. Wealth is primarily what separates them from the rural poor (and from their past). In reality, the cultural differences between the middle and lower classes are not huge. Both groups are heirs to Chinese civilization. Though the middle classes have more education, their rational capacities are not worlds apart from the poor. They disparage the poor because they very recently were poor themselves. They want the poor controlled because they know the poor want what they have (and may feel guilty about how they got it). Their sympathies with government repression are self-interested. They want to be protected.

It is true that the primary difference between rich and poor is wealth, but wealth does not make the rich rationally superior, it makes them

politically and psychologically vulnerable. This is why the rural poor often receive such disparaging coldness.

CONCLUSION

In China, censorship is an act of power arising from many sources. While the economic reforms have produced the greatest increase of wealth in history, it has also produced a wide wealth gap between rich and poor. The four hundred million people in the middle classes fear the billion people in the lower classes. The former look to the government to protect them and their wealth from the latter. Censorship is one tool in the government's arsenal that many in the middle classes happily support. The belief that the poor are irrational is a mere justification for the use of power for middle-class interests. This is one reason the middle classes accept censorship: If they demand freedom too loudly, the poor will get it too.

On a deeper level of class conflict, the Cultural Revolution continues to hang over society like a dark cloud, especially since Xi's appointment and his rattling of old red bones. Censorship of the Cultural Revolution keeps the generation that experienced it directly under its sway. Indeed, it could be a factor in Xi's motivation to repeat.

Censorship and repetition are related because repressed materials are always in search of expression and one option is expression through repetition. The "advantage" of this option is it does not require conscious recognition of the trauma. The sad tension between the Communist Party's movement toward the rule of law and their continuous use of extralegal campaigns is Exhibit A. The use of campaigns can be explained by the Communist Party's power interests, but history is an important factor in how they understand their power interests; the censorship of their history of violence and incompetence not only eliminates the path to criticism and change, it positions repetition as a likely sociological and psychological outcome.

A further wrinkle in the class war that was the Cultural Revolution—between the children of the Communist Party elite and the non-elite—is the orchestrated criminal complicity, a standard technique of totalitarian domination, of the participants—the Red Guard and Red Rebels. Censorship of the Cultural Revolution is a welcome relief to the participants, many of whom committed horrendous acts of murder, maiming, and torture. Without censorship, many people would have to face internal and external threats. One can only wonder if this situation is not a factor in the half-century of esteem attributed to Mao Zedong, the CEO of complicity management.

This takes us to the pervasive self-censorship that permeates Chinese society. One cannot exaggerate fear as a motivator for self-censorship in a

dictatorship that routinely uses extralegal means for dealing with threats and perceived threats to its power. With an internal security budget larger than its military budget and a vast monitoring system including an army of informants, the Chinese are very careful what they say and especially where they say it. It is so pervasive it is second nature, a taken-for-granted part of most Chinese behavior.³⁰

In addition to self-censorship in the face of state intolerance is self-censorship for one's own social and psychological equilibrium. If one participated in violent crimes, public recognition of this behavior will undo private defenses too. In this sense totalitarian politics under Mao, which reached its zenith in the Cultural Revolution, is the gift that keeps giving. With guilt spread across the population, the institutionalization of self-censorship took place from the inside out.

We should consider Western cultural influence on China in this context, especially regarding the large number of young Chinese receiving education abroad. Even though the young people studying abroad are post-Cultural Revolution, upon their return to China they reenter a social world heavily impacted by communist campaigns over many decades, and still impacted by such campaigns. The social-self keeps Westernization, the influence of Western culture, separate from its Chinese identity. Western culture undergoes self-censorship, compartmentalization, or expression only with like-minded friends. Otherwise, for many, staying abroad is the preferred choice.

Truth is essential for freedom. The communist regime's heavy, systematic use of censorship, built deep into societal institutions and the social self, continues to devalue freedom as a societal priority. Developed on top of an ancient hierarchical culture, communism in China has greatly deepened the dictatorial complex, indeed, descending into a period of totalitarian domination. At this point, given deepening political repression, it seems more likely—given the renewed program of political indoctrination in schools—that China can again descend into totalitarianism rather than move in the opposite direction toward respect for individual dignity. Of course, there is a big area between these two points, but I conclude the Chinese Communist Party (CCP) maintains a bias toward the former.

NOTES

1. Civil rights lawyers have been accused of "inciting subversion of state power and disrupting court order." Josh Chin, "China's Court Posts Stir Criticism," *The Wall Street Journal*, May 9, 2017.

2. "With the public shut out of formal politics, few ordinary citizens could even recognize most of the nine men in the Politburo's inner circle." Richard McGregor, *The Party* (New York: Harper-Collins Publishers, 2010), 7; McGregor writes the Communist Party has an "addiction" to secrecy.

3. Hill Gates, *China's Motor* (Ithaca: Cornell University Press, 1996).

4. Actually, Howard French counted them. "Fully 70% of Chinese television dramas have plots related to war with Japan . . . in 2012 alone 700 million imaginary Japanese were killed in Chinese movies." Quoted in Stephen R. Platt, "The Chip on China's Shoulder," *The Wall Street Journal*, March 24, 2017.

5. "Recent studies suggest that a significant portion of [the 30 million] were in fact executed or beaten to death during regional campaigns against 'rightism' or the 'hiding' of grain, or putatively denied food supplies in the midst of famine" (333). "[B]y threatening his apparatus of party loyalist with the charge of treachery and class conspiracy, [Mao] drove his loyal agents into repeated bouts of destructive over conformity. This was at the core of the disastrous Great Leap, when party cadres pledged huge increases, lied about accomplishments, and then extracted grain from starving villages—all under a harsh campaign against 'rightism'" (341). Andrew G. Walder, *China Under Mao* (Cambridge: Harvard University Press, 2015).

6. Ronald Dore, *Stock Market Capitalism* (Oxford: Oxford University Press, 2000).

7. Xi's "slogans blanket cityscapes, filling highway bill boards, streetside banners and electronic displays in malls and office blocks." At the 19th Party Congress in October 2017, Xi was named China's "greatest living theorist." Chun Han Wong, "China Celebrated Xi with Mao Like Zeal," *The Wall Street Journal*, December 11, 2017.

8. As with the Russian people, it is possible that the Chinese people will accept dictatorship if they believe it will deliver greatness. Under recent great economic growth, many Chinese find the yoke of repression light. Indeed, given China's century and a half humiliation at the hands of foreign powers, the desire for national greatness is a powerful drive. Orville Schell and John Delury, *Wealth and Power* (New York: Random House, 2013).

9. The classic example of brutal treatment of intellectuals began on May 2, 1956, with a Mao speech, when he called for openness and criticism of the Communist Party, "let a hundred flowers bloom, let a hundred schools of thought contend." Criticisms of the Communist Party began slowly, but eventually widened, questioning the Communist Party's basic monopoly on power and their competence to use it. After only five weeks, the Party had enough. By mid-1957, the Party implemented an "anti-rightist campaign." 550,000 people were labeled "rightist," a small number were killed; large numbers were sent to labor camps, those considered leaders were imprisoned for over twenty years. The families of those designated "rightists" were also brought under the label and suffered too. Walder, *China Under Mao*.

10. In December 2017, I asked two Chinese law professors about the law. They both said they never heard of it. Yet the journalist who reported it was well connected and highly reliable. The Administrative Litigation Law applies to the government, not the Party.

11. Hsien Chin Hu, "The Chinese Concepts of 'Face,'" *American Anthropologist* 46, no. 1 (1944): 416–50 and 461–64.

12. It did take place to some extent in the 1980s in the post-Mao post-Cultural Revolution reforms. It led to the Tiananmen Square massacre and a brutal reassessment of the leadership's priorities. "[N]early one in ten of the Party's . . . members were investigated, in the government, media, universities, think-tanks, and in art and literacy circles. . . . If they weren't jailed, sacked, or demoted, they were forced to write self-criticisms explaining their stance during the protests, and pledging fealty to the Party's actions, all of which was ominously recorded on their personal employment files." McGregor, *The Party*, 36.

13. Clifford Geertz, *Islam Observed* (Chicago: University of Chicago Press, 1968).

14. Chinese undergraduate students in my classes in the United States who seemed to have a more clear-eyed view of many aspects of Chinese society nevertheless found the death count from the Great Leap to be unbelievable.

15. Arendt defines the "rectification of thought" as a key element of totalitarianism. Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt Brace and Company, 1950). Perry lists rectification of thought as a key technique used by the Chinese Communist Party to manage the population's emotional condition as early as the

1930s. It should be seen as totalitarian “education.” Elizabeth R. Perry, “Moving the Masses: Emotion Work in the Chinese Revolution,” *Mobilization: An International Journal* 7, no. 2 (2002): 111–28.

16. Violence during this period took place all over China. The number killed between 1968 and 1971 is estimated at 1.1 to 1.6 million. Walder, *China Under Mao*.

17. This is not to say it is all internal. Guobin Yang reports participants in this troubled period have written books and memoirs, made sojourns back to areas of the countryside where they were sent after 1968, organized conferences, blogs, journals, and so on. These efforts are attempts to remember and make sense out their experiences. Yang reports the memories are “selective,” strongly class motivated, and at odds with the Communist Party’s official history. The first is a sign of psychological repression, the second social conflict, and the third political protest. All in all, a good view of this generation’s internal experience. Guobin Yang, *The Red Guard Generation and Political Activism in China* (New York: Columbia University Press, 2017).

18. In Marxist theory, a parallel process is explained by the concept of reification. Here the economic relations of production create human subjectivity through the manufacture of false consciousness and forgetting. Russell Jacoby, *Social Amnesia* (Boston: Beacon Press, 1975). Ironically, my data shows a Marxist party using state power consciously to the same end.

19. “The SS implicated concentration camp inmates . . . in their crimes by making them responsible for a large part of the administration . . . forcing them . . . to behave like murderers.” Arendt, *The Origins of Totalitarianism*, 150. Forcing the population to commit violent crimes and thus ensuring their complicity in the system, is an essential component in totalitarian domination. Complicity is at the base of the CCP political culture.

20. Etkind argues that it takes fifty years, two generations, before the grandchildren of the trauma victims have enough distance to work the traumatized emotions into cultural productions in literature or theater, for example. So much for time heals. Alexander Etkind, *Warped Mourning* (Stanford: Stanford University Press, 2013).

21. Sowing distrust in the population is an ingredient in totalitarian domination. It isolates individuals, increasing dependency on the state and increasing the potential for total control.

22. The centrality of education for control of the population is deeply rooted in Chinese culture. “The unconscious legacy in China is particularly strong in the area of assumptions about the control of man, i.e., about methods of getting people to act in a desired manner” (183). “[T]he background assumption that education is a panacea” (165). Donald J. Munro, *The Concept of Man in Early China* (Ann Arbor: University of Michigan Press, 1969).

23. It is a different story in Hong Kong, where Beijing’s efforts to insert its values into classroom materials has generated street protests. Ned Levin and Chester Yung, “Hong Kong Gets Chinese Remake,” *The Wall Street Journal*, September 24, 2016.

24. Even though Mao was highly promiscuous, the Communist Party enforced very conservative sexual standards during the Mao era. This is seen in the asexual “Mao-suits” worn by everyone. Sexual repression powered militarization of society. Phillip Short, *Mao: A Life* (New York: Henry Holt and Company, 1999).

25. Michael Polanyi, *Personal Knowledge* (Chicago: University of Chicago Press, 1962).

26. Philip Rieff, *Fellow Teachers* (Chicago: University of Chicago Press, 1985).

27. Max Weber, *The Religion of China* (New York: Free Press).

28. During the first Opium War in the 1840s, three thousand English troops defeated two hundred thousand Chinese troops fighting on their own soil. Schell and Delury, *Wealth and Power*.

29. Francis Fukuyama, *Political Order and Political Decay* (New York: Farrar Straus and Giroux, 2014).

30. During the waves of Stalin's purges, a slight joke about government inefficiency decades earlier could get you a "tenner" (10 years) in a prison camp from which most people never returned. Aleksandr Solzhenitsyn, *The Gulag Archipelago* (New York: Harper Collins, 1976).

SIX

Vicissitudes in Dictatorial Control

Which concept best explains the organization of Chinese society, “socialism with Chinese characteristics,” used by the leadership of the Communist Party to describe the Chinese system, or *political capitalism*, the classic term used by Max Weber to describe governments that by military or economic means invest for returns on capital? It is certainly true that the Communist Party dominates the economic system in China, controlling core industries, most importantly the banks, deciding where to allow or not allow competition, and regulating private business from soup to nuts. Is this socialism?

In attempting to answer this question one runs into the ambiguity of ownership. Who owns the vast economic assets controlled by the government? Do the citizens own them, the society? It is not clear. What is clear, the Communist Party controls these assets and particular high status and powerful families and individuals with strong political positions have grown enormously wealthy from them. It is difficult to call this socialism, where ownership and/or use of assets are for the benefit of the society as a whole.

Then there is the problem of systemic corruption. From top to bottom, government officials use their positions to extract rents from the population for everything from building permits, legal decisions, education access, medical care, and so on. Can such a dominant pattern of official behavior fit into the definition of socialism? Obviously not.

This leaves political capitalism, what Weber sometimes calls “adventure capitalism.”¹ Its key elements are the pursuit of *political* goals and speculative or exploitative moneymaking. It is an early form of capitalism before the rule of law, balance of power, and capital accounting brought higher levels of rationality and regulation to markets. Indeed in the nineteenth and early twentieth centuries, it was thought socialism would

bring an even higher level of economic rationality.² In Marxist states, however, one-party dictatorships maintained an exploitive class that overwhelmed economics with politics, cutting short the rationalization of the economic system.³

Such is the case in China where the Communist Party's experiments with socialism and later "reform and opening" have both been stamped by the exploitive powers of the one-party dictatorship. The Chinese system fits the definition of political capitalism because of the dominance of the Communist Party in political and economic decision making and the resulting wealth that is thereby routed back to support the Party's grip on power and private benefit of its members. Indeed, it is only the Chinese Communist Party's (CCP) leadership, who call China's political economy socialism. The outside world refers to it as "state capitalism." The definition of state capitalism differs from the definition of political capitalism. The latter, unlike the former, includes self-dealing of political agents. They both assume state control of economic assets.

In this chapter, I will analyze the system of political capitalism in China from the point of view of the business and professional classes that engage with it. I will show there are many different responses to it. These will range from support to resistance to psychological splitting, all responses to a system dominated by fears and lies. Overall, I will show the system is not stable, many describing it as a "tinder box" or "pressure cooker." Political capitalism's economic success has created untenable levels of ruthless competition, income disparities, and cultural change that create fissures throughout the structure of society. Whether the Communist Party's "adaptive governance," to use the words of Heilmann and Perry,⁴ continues to prove adequate to keep the Communist Party at the helm, or the leadership reaches back to their totalitarian past to stay in control or something new will arise, is unknown.

HAPPY WITH THE GOVERNMENT

There are several reasons people gave expressing their satisfaction with the government's role in society. First, the society is stable. The Cultural Revolution may seldom be a topic of conversation, but fear of its return hangs over Chinese society like a threatening cloud for the generation who experienced it. Second, the Communist Party protects the country. Clearly, the great pride and confidence expressed after the giant military parade that took place in Beijing in the fall of 2015, is an example. Third, some see the Communist Party as caring about and wanting to help the population. This is partly the Confucian legacy of the emperor as the benevolent father, partly the communist vision of the "people's revolution," and partly the perception that the people who go into government service are dedicated to helping their fellow citizens.

Fourth, the most important reason for the population's satisfaction with the government is economic growth. The decisive issue is probably not only that people feel they can "lead the good life with enough food and beautiful clothes," as a Chinese law professor put it, but more importantly the much higher standard of living compared with just twenty years ago. Even the post Cultural Revolution generation remembers little choice for food and clothing. As one executive MBA student said, her classmates are private business owners and sometimes feel discouraged because of all the challenges, but they were not so long ago farmers who had much less than they have now.

It is important to note that not everyone has changed from farming to business. In fact, there are two basic career paths in China. A Chinese businessman in Hong Kong explained about mainland social structure:

If my father is an official, then I am in the official's camp. My father will have the connections and pay for me to get an official position. I would be trained for this. But if I am a nobody, then the best option is to get the best job I can get in the private sector. In China, these are two different classes.

The two different classes produce two different types of administrators. A Chinese executive working for a Western multinational corporation (MNC) describes government officials:

What they say is not what they think. You must interpret what they say. They are looking for a positive effect on their position. They serve the government not the citizens. The gap is huge between business and government. I can't understand what they want. I can't align my goals with their goals.

Discussion

The differences between the "two classes," between public and private, is an ancient and fundamental aspect of Chinese civilization. The government has always been dictatorial, expansive, aloof, and predatory. The private sector survived and survives with difficulty in the space that is left over.

In the quote from the Hong Kong businessman there are several important points. First, government in China is a family affair. Officials secure jobs in government for their children and family members. In this sense, the ancient village culture, founded on family bonds, loyalty, and relationships, is manifest in government organizations today.⁵ Second, officials can purchase government positions.⁶ This too is an ancient practice. It is a business decision. The official invests capital to purchase the position and uses the position to generate a return on capital. The capacity to purchase is not open to everyone. It is not an open market. It is a private market inside the government open to insiders based on connec-

tions and prices. Connections and prices together determine who gets the positions, what price they will pay, and to whom the future profits will be distributed. This is a near perfect example of political capitalism discussed above.

Third, the child or family member receives training for this career. Just as a private business owner would prepare her child to take over her business, the government official prepares his child to enter government office. A difference is the government official does not legally own the office, as does the private businessperson. However, since the rule of law has limited jurisdiction and is particularly weak in its ability to put restrictions on the government, the private owner's "ownership" is vulnerable to government interests and the interests of government officials. In other words, the government official may have more control over a government office than a businessperson does over her property.

The official's job security depends on a combination of performance evaluations and connections, with a heavy emphasis on the latter. Even though the official does not own the office, with the "right" connections he has high job security. He is vulnerable if his connections suffer a decline in power. If a new clique gets control of the hierarchical structure, they can remove the official. This is not much different from the "private" business owner who can secure business profits with the right government connections but becomes vulnerable to government exploitation if unfriendly officials seek what he has. This demonstrates the absolute if unstable centrality of government power in all aspects of Chinese society.

From this analysis, one can conclude that the difference between "private" and "public" organizations is ambiguous and less important than the over-riding criteria of *relationships* with government officials. Without an effective rule of law and rule-bound government organizations, the government official's organizational power and personal interests operate unchecked. The boundary between public and private is weak or nonexistent. An official's power is a combination of formal position, factional alignment, personal relationships, administrative skill, and personality. The power of officials is the axis around which Chinese society is organized and operates.

This system is *political capitalism*, the investment of public assets by government officials to further power interests and private benefits. This is much more accurate than Deng Xiaoping's label "socialism with Chinese characteristics," because "socialism" denotes collective ownership, which is short-circuited, in China. The economy in China has a high degree of political control and politics has a high degree of personal interest. To significant extent, public resources are private in China. Political capitalism captures the official's typically working with others both in and out of government, exploitation of both public and private resources. To considerable extent the public-private divide does not exist in

China. In essence, officials can exercise personal control over resources; whether they are public or private is secondary.

The Chinese executive working for a Western MNC takes us deeper into the culture of government officials. There is a premium on indirectness. One must know the context to know what they mean. The context is corruption. Officials do not speak directly because they are seeking illegal or illegitimate transfers from businessmen and risk getting into trouble. One must know their context to know what they want and how they want to receive it. That is why trusted middlemen are so pervasive: Middlemen can interpret to the businessman what the official wants and how he wants to receive it. Even then, the use of code words is common because other parts of the government might be monitoring communications.

An official's responsibility to his formal job requirements and to his bosses are important parts of the official's decision-making. Corruption and formal responsibility closely relate because officials use the latter to generate the former. Often bosses are involved in the corrupt money chain. Officials focus on pleasing bosses and generating as much income for themselves as possible. Meeting jobs requirements can be important. In any case, the culture of officials is a world unto itself. Absent public outrage in a given situation, a spirit of serving the public is the lowest priority.

Pleasing bosses may involve legitimate organizational goals. Top leaders know they cannot completely ignore the public. The public must receive some benefits. The government could lose legitimacy, problems with protests could increase, and the ultimate threat of revolt is never absent. A splitting process is constantly in effect as many lower level officials try to pad their own pockets while top officials worry about public dissatisfaction in addition to enriching themselves. As the executive points out, on balance the pendulum often swings toward official self-interest in the form of corruption or career advancement.

Working for a Western MNC, the executive cannot pay bribes without taking the additional risk of losing his job. The situation quickly gets murky, however, if the official wants help building, for example, a school. On one hand, this is the "social responsibility of business," but on the other, funds can easily go astray. With Chinese businesses, however, this would be normal behavior. One can find a textile mill providing resources to build a road, for example. Some Chinese think that this flexibility is an advantage of Chinese political capitalism. It defies the division of labor and the use of capital according to competition in the market. In other words, inside deals lower efficiency and innovation.

STABILITY IS THE KEY

What is holding China together, asks an American CEO living in China for over two decades. His answer, the simplest way to understand China is social stability. It is the most important thing. If “you fuck with social stability, you’re in trouble.” His company had events scheduled for the Olympics, but the government shut them down. The government does not want people organizing. Indeed, in 2015 a group of Western and Chinese high school teachers planned an AIDS walk at the Great Wall. They had to order the bus at the last minute to keep the government from cancelling the event. This requirement made planning the event nearly impossible.

Surprisingly, many dire fears of societal collapse come from Americans. For example, an American executive said this is Xi’s last chance to reverse the decline of the Communist Party. If the Communist Party falls, the society will fall apart too. The Chinese, on the other hand, are usually more cautious with their language, but have the same fears of chaos. A Chinese CEO said evolution is better than revolution. Russia is a “bad path.” It is better to make minor changes that eventually lead to fundamental change. This way China can make progress, he said.

The problem, however, according to a Chinese banker in Hong Kong, is that China is a “pressure cooker.” If China continues as an “unstoppable engine,” the gap between rich and poor is the biggest risk. One of the goals of senior leaders is to let steam out of the “pressure cooker.” The wealth gap will be worse in the future, especially in cities where property prices are rising, he said. In the last 30 years, most people are moving to cities. The government wants them to move back. Because of urbanization, they no longer have agricultural skills. It is a “one-way train.” It is about lifestyle. The cities have a higher standard of living. The gap between rich and poor is getting bigger and bigger, he concluded.

During dinner, American executives who have lived decades in China agreed. Security officials know, according to the executives, some of whom have intelligence backgrounds, that China is a “tinder box.” Officials worry about it “every day.” The Communist Party may look strong but it is weak. Another group of Chinese and foreign executives at an *Economist* magazine lunch said in reference to recent aggressive moves by the government to prop up the stock market and currency, the Communist Party leadership is panicking. They do not want to lose legitimacy.

Many note increasing signs of government control. An American professor living in Beijing for decades said the government is good at muddling through but as the economy declines, Xi is concentrating power to maintain control. The police state will be larger in the future. Another option is war to unify the country. The stock market was maintaining wealth but that is gone too, he said.

In support of the growing police state view, two American executives noted that the government is putting in magnetic cards for cleaning personnel to get in and out of buildings because more officials are locking their buildings. This is just one more sign that they are clamping down all over the country. Some Chinese want to meet in the park because they fear electronic surveillance. The government is spending huge sums of money on security, they said.

A Chinese professor of management said he tried to organize an international conference, but two ministries contacted him asking about his plans. This is new. He also invited a scholar from Denmark that drew scrutiny. The ministries told him he had to get approval one year in advance and once receiving approval no changes are possible in the request.

A 40-something Chinese lawyer educated in the United States said he was disappointed with reforms. Watching the government was like "watching House of Cards." He has no vote. He does have *private* freedom of speech. The government does not care. It cannot change anything. It can only release frustration. Public speaking can have an impact but it is restricted. The government penalizes teachers for classroom statements. There is more freedom to talk in English, he said.

Discussion

The party-state is trying to keep the "pressure cooker" from exploding. It fears poverty in the rural population can lead to unrest, so to stimulate economic growth it is encouraging the rural population to move to cities where better jobs can be found. The government recently announced that for the first time in Chinese history over 50 percent of the population lives in cities. They plan to have 60 percent of the population in cities later in the century.

It is an ambitious and difficult plan. Some major cities like Beijing are extremely crowded and the infrastructure is extremely stressed. The Hong Kong banker said the government wants the new arrivals to "move back," but they no longer have the skills for farming.

Another government plan is to create super cities or expanded metropolitan areas surrounding major cities, so that the government can move population out of, for example, Beijing into newly built or expanded areas nearby. This has not worked either because these new developments do not have the jobs, schools, hospitals, social activities, and so forth that are available in Beijing. This is one reason buildings stand empty across China.

The problems of what to do with the huge rural population and the poor population in general are daunting. The rich-poor divide has gotten worse in the last decade. This is a contradiction in the government's political-economic model: The country is getting richer but the rich-poor

divide is getting worse. The government has improved the social welfare system. These changes are significant but modest. People want opportunities to work, and they want full lives and futures for their families. The “pressure cooker” will only get worse if the economy weakens.

This is what the interviewees mean when they say the Communist Party is “weak.” They sit on top of a giant “pressure cooker.” The Communist Party is working systematically to strengthen their control of society, including limiting foreign influences. The interviewees argue that the continuing increases in control systems are signs of weakness. What does this mean? The government would not need this level of external control if the Communist Party had the population’s support. It also means that if the “pressure cooker” blows, these control systems will blow with it.

The crackdown on foreign influence is important because it involves a contradiction. The problem is not just antagonistic foreign powers or even liberal foreign cultures. It is a problem within Chinese culture itself. As China “modernizes,” it heavily borrows economic and social organization from foreign cultures, especially from the West. China is dependent on foreign influence to modernize its economy and to integrate its economy with the outside world. So the problem of “foreign influence” is very complex. The government wants and needs some foreign influences but sees others as a threat. Given that culture is contextual, separating the helpful from the harmful is often impossible.

The fact that government ministries are micromanaging the visit of one professor from Denmark shows how fearful the government is. The government is actively incorporating Western innovation practices, economic organization, technology, professional systems, and so on without accepting the value context in which these cultural forms originate because they threaten the political and social systems the Communist Party needs to survive. This contradiction—accept rationality, reject values—has been with the Chinese since British gun boats arrived in the middle of the nineteenth century. They want innovation but not individualism; they want the rule of law but do not want to apply it to the Party; they want Western technology but refuse to protect it. Ultimately, this contradiction will hold back China’s economic development and integration with the West.

Clearly, the Communist Party is showing no signs of accepting Western democratic traditions. On the contrary, it is making a total effort to protect its dictatorship culturally and structurally, while racing to develop the economy to dampen down internal dissent and strengthen its influence globally to project its values and interests outward rather than just defend against cultural transmission into China. Communism with Chinese characteristics, a Confucian-communism, is fighting for its life in a competitive world. The Belt and Road initiative is one such effort. The problem is they need foreign influence as they fight against it. Unavoidably foreign values will enter China. To what extent can the Communist

Party control or determine their influence without sinking their economy?

One conclusion that can be drawn from this analysis is that the new social contract the Communist Party struck with society—that it will provide economic growth and a rising standard of living while maintaining its political monopoly—when it reversed course and introduced markets, is vulnerable. They are struggling to maintain economic growth while maintaining their heavy-handed political structure and the heavy-handed political structure is a major contributor to the legitimacy-killing income gap.

Even if they can manage the economic contradictions, they still face the cultural contradictions. Markets, technology, and economic growth are bringing value change in their wake. This is the second “pressure cooker.” How this will work out is unknowable because of the complexity of variables, system size, and unknowable future internal and external events. It does seem to suggest the status quo is highly unlikely. Something will have to give.

WHY IS CHINA HARD TO CONTROL?

A Malaysian Chinese CEO living in Hong Kong characterized the mainland Chinese as a “grab and go” people. Chinese and foreign observers give many reasons to explain the lack of sensitivity to rules found in Chinese society. A Singaporean Chinese executive said the most important thing he learned from running an organization in China was he needed negotiation skills because everything is negotiable. Nothing is black and white, nothing impossible. When there is a crisis, everything is solvable because everything is possible. Singapore is very different because rules are strictly enforced. In China, because everything is possible, the leader must dictate everything. Chinese need strong authority. This is why it is a problem to put Chinese leadership abroad, he said.

A 40-something Chinese lawyer believed the origin of this situation stems from religion. When he was a child, he said, he prayed with his grandmother to many gods.⁷ This is why China has not had religious wars. There are so many gods it is not worth fighting for one. For Weber, the lack of a single internalized god led to a “this-world” or practical cultural orientation. A single transcendent disciplining moral code did not develop. While socially the individual was kept in check by minutely prescribed rituals for social interaction, spiritually (internally) he was given a wide berth. Practical and self-interested concerns filled this berth.

In this context an American professor living in China mentioned that even though the Chinese do not have a sense of guilt, they do have a sense of shame when acting incorrectly in front of others,⁸ but not all others, only particular ones. In the words of a Chinese journalist working

for a state-run newspaper, Sun Yat Sen and Lu Xun said it “always takes blood to get anything done in China.” In other words, the individual’s moral sensitivity is primarily operative in family relationships. The journalist continued that Chinese society as a whole is uncooperative; the government is stifling; and the people untrusting. The journalist thought the culture is “terrible.” Since 1840, it has been completely dysfunctional. The culture is the biggest problem in China, bigger than the dictatorial government, he said.

The American professor was in full agreement. He stressed the Chinese are self-interested. They form networks to advance their interests. If you are not in their network, they will have little regard for you. They have no “civil society.” Unlike Americans, who will give up some freedom and follow organizational rules to receive benefits, the Chinese will organize into sub-groups based on personal relationships to pursue their own interests. Outside these networks, “they will do anything.” They only care about what others think of them inside the network, he said.

A young Chinese novelist from the mainland who had moved to Singapore for family reasons had a different explanation for Chinese aggressiveness. Noting the high level of politeness in daily life in Singapore, she said the Chinese do not act this way because infrastructure is limited relative to population size. One would not get a seat on the train if they were polite. The cause is a lack of resources, not rudeness, she said.

A 30-year-old manager had yet another explanation. He said the Chinese are emotional first; rational second; and law-abiding third. He likes the discipline he saw in Japan. By separating emotion from reason, he is rejecting the self-interest explanation. He is saying that the Chinese are prone to emotion driven action.

Finally, an American executive blamed Chinese insensitivity to rules on the Communist Party: Public morality does not exist in China because the Communist Party lowered morality to “peasant morality.” This removed education from moral behavior. There is no sense of public welfare. People will cut in line without thinking about it. Maybe this is from the Communist Party’s era of shortages. People learned to look out for themselves, he said.

Others, as noted in chapter 3, believe China is too diverse to get along. A Chinese banker in Hong Kong said the mainland will not become like Taiwan. There are too many classes of people on the mainland; multiple countries under one roof, as an American executive living in Singapore described it. This requires, as the Hong Kong banker put it, restrictions on freedom. A “straight policy is needed.”

All this diversity causes conflict, they say, but from an economic perspective diversity is a “huge resource,” according to a Chinese executive working for a Western MNC. The government should “set people free,” according to him. They must learn from the United States. Xi and the premier know this, he said. They know they need inclusiveness and di-

versity, but they also need the power to rule. These goals are in conflict, he said.

Discussion

To summarize this parade of explanations for the chaotic, morally challenged nature of Chinese social life, a good place to start is to separate the explanations into cultural, economic, and political categories. In my field data, the cultural category has the most entries. The cultural explanations for the degree of moral hazard in Chinese social life include a disregard for rules, greed, polytheistic religious worship, small in-group moral organization, vast social diversity, and a tendency for emotions to override reason.

In terms of economic explanation, two people mentioned competition for resources. Because of the population size, level of economic scarcity, and challenged regulatory system people must look out for themselves. One middle-class mother, in explaining why she had a plan for her newborn's entire educational path at birth, said her son would either rise to competitive success or starve. In her mind, there was no middle option.

As for the political category, one Chinese executive blamed Chinese moral hazard on the communist (under Mao) idealization of the peasant. Using the Marxian labor theory of value, the communists believed morality originates in the work of peasants, farmers, and soldiers, because their labor was practically devoid of selfish profit seeking. Indeed, during the so-called Cultural Revolution millions of educated city dwellers were "sent down" to rural areas to learn the moral life of hard physical labor in village communities.⁹

The executive is saying that communist "moral" beliefs destroyed Chinese morality, instead of improving it. He is saying some other group other than the peasants was the social carrier of Chinese morality. Historically this would have been the Mandarin, the scholar-officials. By idealizing the peasant, the communists were turning their back on Confucian culture and education in general. According to the executive, this undermined moral behavior and created a downward spiral.

Another political cause of Chinese insensitivity to rules not mentioned in this data but mentioned in my 2007 data, is government corruption. This is not a new problem in Chinese history. For 2,000 years, scholar-officials were moral experts and moral leaders, but they often abused their power.¹⁰ In all dictatorial societies where oversight is lacking or inadequate, even moral training is a low hurdle when need and/or temptation are near. In some societies, religion can confront lapses in political behavior, but in China religion remained under the strict control of the emperor and scholar-officials, who prevented an autonomous priesthood from developing organizationally and morally. When the government

was corrupt, the society followed. In modern dictatorial China, the post-Mao reform governments struggle with this ancient pattern.

Yet, as the Chinese journalist said, moral decline has even exacerbated the past two centuries from China's collision with the West and the resulting fall of the imperial system. In any case, the literature discusses all of the explanations mentioned above and I too in *Trouble in the Middle*. Here I want to add a few points. As I said above, a corrupt government will lead to a corrupt society because it is difficult to avoid corruption when powerful officials make corrupt demands on citizens. It becomes even more difficult if corrupt officials share the rewards of corruption with citizens. My 2007 and 2010 Shanghai data and the 2015–2016 Beijing data offer many examples of these partnerships.

On the other hand, the government of a nation does not normally come from another country. It arises out of and is part of the society, sharing many aspects of a shared culture. According to Edmund Burke, a virtuous people do not have a corrupt government for long.¹¹ Likewise, a virtuous government does not stay virtuous for long in a corrupt society. In the case of China, the systemic nature of *government* corruption in the reform period is beyond doubt. Yet as was shown in the data, most Chinese and Western observers argue that Chinese insensitivity to rules arises out of Chinese *culture*.

In other words, the cultural and political reasons for corruption are related. They are mutually reinforcing. In this regard, ironically, as was argued in the data, the disregard for rule-following emanating from Chinese culture results in the need for strong central authority, but strong central authority leads to abuse of power. In China, under the communists, this has meant political fanaticism under Mao or corruption under reforms. Instead of the Confucian benevolent leader-loyal follower model, a circle of vice results: insensitivity to rules in society requires strong central control that leads to the abuse of power stimulating more insensitivity to rules.¹²

In the end, the problem of governance in China comes down to its culture of small group organization. The family, to a profound extent, is the model for small groups in China. The dominating presence of families at the top of the Chinese government is an example, namely the Princelings. This is not to say small groups are the only institutional form relevant in China. Bureaucratic structure is of great importance; the rule of law has relevance. Nationalism cannot be over-estimated.¹³ But when one tries to understand why a disregard for rules or mild or even faint regard for rules is a universal pattern in both the interview and observational data as well as the literature, the most pervasive characteristic is small group formation, solidarity, and goal-seeking, independent of, indeed in violation of, formal organization and civil membership.

Max Weber argued that the strongest reason of all for Chinese dishonesty, which he said was common in the literature he reviewed, which was

mostly from the nineteenth century, was population density and the intensely competitive environment it gave rise to, but why would this apply to the government, or more specifically the central government? Why does Chinese central government's formal bureaucratic organization tend to break down into small group predation? It is because of the primary organization of Chinese society through family and family-like small group relationships. Despite many attempts by the government to professionalize its ranks through education, ideology, training, discipline, oversight, incentives, position rotation, and punishment small group rent seeking remains.

RESISTANCE TO THE GOVERNMENT

In a situation where dictatorial government is required as a solution to over-localized cultural controls, it is inevitable that in addition to a premium on relationships with officials, opposition to them would also develop. First, there is resistance from inside the government itself. The central government cannot control local governments, a Chinese professor of political science said. The local governments since time immemorial have developed "the arts of resistance." Mao acknowledged this fact, as did Premier Li recently. The population too resists central policies as was commonly seen in two-child families during the era of the one-child policy.

Clearly, the central government has the power to crush opposition in any limited area for a limited time. In general, the government monitors and eliminates all independent organizing. The main example during the reform period was the government's efforts to eliminate the Falun Gong religious group.¹⁴ The government media presents Falun Gong as evil. The government has jailed and executed their members. A 26-year-old, Chinese consultant said the Communist Party learned how to take over the government from the Nationalists, so they now know how to stop a take-over. In any case, without local organizing capacities, it is impossible to unite against the Communist Party.

Nonetheless, many foreign observers believe the social environment is not stable. An American history professor notes in China, one can never see a revolution coming. No one foresaw the fall of the Soviet Union. He suggests an analogy: The forest is dry and someone throws a lit cigarette. No one can predict the lit cigarette. China is a "dry forest," he says. The Communist Party is doing what it can—foremost the Anti-Corruption Campaign—to douse the forest.

Is China a "dry forest"? Certainly, there are many flashpoints. A Chinese executive in Hong Kong said he asked a mainland businessperson about the wealth gap. The businessperson responded that a revolution is required to throw out the rich, nothing less. The Hong Kong executive

said the Communist Party must have a revolution *in* the Communist Party. If they do not, then the people will revolt.

Another flashpoint is unemployment. A Chinese doctoral student says there are 200 million people in rural areas that do not have jobs and many people in China suffer malnutrition during childhood. Both these situations are dangerous, he says. An American consultant notes that sales of container ships are down so shipyards that make these ships are not working. This is a danger for stability. Remember solidarity in Poland, he says. The Communist Party has shifted workers to production of troop transport ships.

A biology professor who studies the natural environment said that if the natural environment continues to decline, it will undermine the social environment, but if the Communist Party fights pollution, it will lead to lower economic growth. Either way they have a problem. He says that the facial masks people wear when air pollution is bad are more political protest than health safeguard. The masks are "I am not happy" statements.

A Chinese banker in Hong Kong said that the protests in Hong Kong (2015) are a minor problem compared to the conflict in Muslim dominated Xinjiang Province. All these problems, he says, are part of the declining economy.

On Christmas Day 2015, while on my way to Peking University, I saw 30 to 40 protesters chanting at the East Gate entrance. They were carrying banners that said, "The hospital has our money and we want it back." As I moved on to enter by another gate, I saw undercover police rushing to secure blockades at the entrance to stop the protesters from entering there.

There are protests all over China, probably in the hundreds of thousands. Some of them are violent. A Chinese law professor sent me a blog where he and his colleagues share information.¹⁵ On this blog, I have seen videos taken on cell phones of violent clashes between local residents and groups of men who usually are not wearing any badges or uniforms identifying them. The Chinese call them "special police." In one case, I saw a professor beaten up by participants in a pro-Mao march. He told the marchers, "If Mao died in 1949 there would be millions more Chinese alive today." The police separated the man from the crowd only to knock him around some more before taking him away. These observations are consistent with a European journalist who reported on a protest in a southern city. She said the police responded fast. They had a helicopter in the air within minutes and immediately dispatched busses of plain-clothes police.

This is the "hard hand," according to the biology professor. The government also has a "soft hand." The latter is subtle. At a public panel discussion in a Western bookstore in Beijing, an American scientist described her experience working in the area of genetically modified agri-

culture in China. She was asked what effect does the suppression of public debate in this area have on government funding of GMOs? She said she is frustrated because her organization cannot get a permit to plant. This is because of public pressures on the government. The public is alarmed about food safety and does not trust the government. They fear GMOs. This affects regulators. The government does grapple with public opinion. "Not always," she said.

Discussion

The Communist Party is indeed very concerned about resistance, but not because it is strong or weak or widespread or local. Currently, the Communist Party seems to have things under control. Their apparatus of control is over-powering. Perhaps this will continue for decades or face significant challenges sooner. Many foreign observers describe the situation as a "tinder box." Many say without a dictatorial government the country would implode.

The Communist Party is trying to rein in the rent-seeking behavior of its own personnel and at the same time maintain its systematic domination of the political sphere. The government has arrested and disciplined thousands of cadre. Sooner than later autonomous behavior of any kind is confronted. Protests against the government, even criticism of the government, receives little to no tolerance.

The government's legitimacy, to the extent there is legitimacy, arises from economic growth and social order. This is why the government strikes so hard at protests: Protests challenge the legitimacy of the government and its monopoly on power. While the government tries hard to maintain economic growth, the complexity of the economy and inevitable economic downturns create potentially enormous threats to the government. As seen in the data, some attribute the government crackdown, strict enforcement, and security build-up as preparation for social unrest when the economy falters or declines.¹⁶

Indeed, even with robust economic growth the wealth gap leaves large parts of the population behind, struggling with subsistence. This is a primary reason for the "tinder box." Additionally, economic growth has come at a terrible cost to the environment. This is a major concern to the middle class; despite their economic success, they are unable to protect their children's health. The wealthy send their families abroad, even as the breadwinner stays in China to continue wealth creation. Many are in denial and even more resigned to the environmental degradation, despite available information on related cancer and other health risks.

At this point, none of this amounts to an obvious and serious risk to the Communist Party's monopoly on power. The police seem to be increasingly suppressing resistance, not bending under pressure. Middle

class Chinese try to stay out of the way of the “hard hand” and appreciate the government’s efforts to use the “soft hand.”

Nonetheless, there is little public participation in government decision-making.¹⁷ The government allows the public to make money and spend it. They must stay out of politics and accept indoctrination processes that they receive through education, public media, and, more and more, the workplace. The population does not know how the government creates laws and policies. They do not know how the government makes decisions. There is government for the people, but there is no government by the people. Despite an elaborate façade, dictatorship is all.

The fact that the population accepts this arrangement means little. The fact that they accept a social contract based on economic growth means little when they have no choices. Their acceptance is part indoctrination, part fear, part fear of chaos, part resignation, and part materialist delight. China may reject Western democracy, but they have fully embraced Western materialism.

The relevant question is not so much will China evolve towards public participation in governance or will the population rise up and take it? The more fundamental question is what quality of life do they have with the present system, where politics is secret, known only to the ruling elite? The population understands little of their political system. It is hived off, feeding on society, dependent on society, maintaining order by satisfying, indoctrinating, and repressing.

The middle class accepts this situation, has learned to appreciate it and not ask questions about it. They go about their lives in the economic and social spheres enjoying what freedom they can, but what is the cost of this arrangement? Is political participation a fundamental part of human dignity? Is political participation essential for community? Can a person be psychologically whole if they do not participate in their governance or even understand how it works, how decisions result on their behalf? If only the outcome is sometimes apparent?

The situation is even worse than this because much of what they do “know” is false, a product of propaganda, that trains them in obedience and naivety. The propaganda machine prepares them not to seek participation in their political system. The police state reminds those who do not get the message the cost of disobedience and removes those who still resist. This system perpetuates itself. It leaves the population unable to make their public lives meaningful, to decide what to create for themselves. It privatizes each individual, forces her into the privacy of self, family, and friends. The political aspect of life, participation in governance is lost. They can neither understand the present because it is secret, nor imagine a future because they do not understand the present.¹⁸ Only by understanding, can their political existence become meaningful and

their imagination fertile. This is exactly what the propaganda apparatus aims to stop.

By reducing human existence to economic achievement and private life, while precluding political understanding, the CCP sits eerily close to a totalitarian state. Most protestors are only seeking what they consider their rightful piece of the pie, but justice—the right to freedom and fairness when public life requires freedom to be restricted—requires the capacity to understand life as meaningful. If propaganda determines understanding then human understanding based on meaningful experience that can lead to new beginnings, to the creation of a shared life, is impossible.

INDIVIDUAL PSYCHOLOGY UNDER DICTATORSHIP

A Chinese law professor said it is a problem that the government controls access to information. When people receive jail terms because of their religion, only a few people know. If this information is public, many others would change their minds about the government, he said. Maybe the economy is in decline, we do not know. People only know what the government tells them. People know the air quality is terrible in Beijing. The government always says it is getting better. They say they did a lot of work to improve it, but two years ago, the American embassy said they were going to disclose air quality levels. The government said no. Still many Chinese think the air problem is OK. They think the government did a good job.

Some Chinese are not blind to all the problems. A 30-something manager said any level of government can do anything they want, legal or not. The county leader is a “king of a kingdom.” Her father was “kidnapped” in Beijing by police from a county outside Beijing. They took him back to their county and put him jail, because of a disagreement with the county mayor over a business partnership. Nonetheless, her father who was kidnapped and falsely jailed, “still believes in the Communist Party.” She admits there are some bad people in the Communist Party. It will take time to make things better, but the system is good. For many years, this is “our” system. It fits the country OK now. We say the system is good. Her parents and grandparents are Communist Party members. Her family trusts the government. Despite the terrible experiences her family has suffered at the hands of the government, they still think the Communist Party will make a good society.

For many Chinese, the government is a system unto itself, having little to do with them. The same 30-something Chinese manager acknowledged she did not know if the government would institute the rule of law or not. She did not know their priorities. The government is “not con-

trolled by me." "People" control it. They "do what it will do." Regular people should do what they can do to help the poor, she said.

A Chinese professor of political science commenting on this manager said some successful Chinese say they will help society through their own charity as a substitute for unknown or uncontrollable government behavior, but in the professor's view, their talk is stronger than their action. They do little to help the needy. Often, they just give away some money.

Mostly middle-class Chinese watch the government closely for business opportunities, but here too rationalization of government behavior often creeps into their perceptions. A Chinese executive living in the United States but visiting China for business opportunities said China could change. Fifty years ago, there was no private sector. The government will learn. The Communist Party definitely wants to stay in power; their trend is to be more open. The private economy knows how to work with the government. President Xi brought private sector CEOs on his visit to the United States. Maybe the government will control less, open the economy more, and find another way to govern, he said.

This executive is hoping for increasing economic opportunities. His case is very common. He looks for positive signs and hopes they will unfold into opportunities. But even some who acknowledge the "dark side" of the Communist Party, like the 30-something manager, either think the Communist Party will change for the better or say all countries are the same.

Others focus only on what they can control and ignore the rest. A Chinese law professor said his friends with degrees in law from abroad do not care about politics. They do not care what Mao did. They just want to earn money. They think that is what is good for them.

Yet others develop a complete neutrality toward political issues. Ironically, the example I have in this area concerns a government official. A Chinese professor of management described his father who worked in the Ministry of Foreign Affairs. His assignment was the United States. The father received a degree in the United States and was sent to Cuba after it became communist in 1962. Despite a long career as a diplomat, heightened scrutiny for "correct" political views by the Personnel Department for those working abroad and working during a period of extreme politics his father was "completely apolitical." He "had no feelings about politics." The son said this is a "survival style" in China.

Finally, there is the chameleon option. I attended a conference on the "Confucian entrepreneur" at Peking University. Many successful entrepreneurs spoke at the conference. I noted that they mentioned the government very little in their remarks. This is surprising in a government-dominated economic system. It was interesting to learn later that several of the entrepreneurs had made their fortunes through government connections. On one hand, the entrepreneurs spoke elegantly about

integrating Confucian ethics into their business practices, while, on the other hand, kept quiet about their close relations with government officials and the under-the-table activities that made them rich.

Discussion

The data presents eight different types of response to dictatorial control. The responses sort into four different categories according to whether the core element is money, psychology, adaptation, or idealism. Clearly, the most pervasive element is money. Four of the eight responses to dictatorial control result from profit seeking.

A somewhat benign response, in the sense that the individual is expressing both self-interest and social good, is supporting the government because the government is encouraging, stimulating, and managing economic growth. This relates to the social contract discussed earlier. In this view, economic growth is good for society, good for the Chinese people, and the government is providing it through their values, commitments, and actions. The government is good. They are competent and successful. There is little to complain about.

A second profit-oriented response to dictatorial control is to closely watch government economic policies, goals, and pronouncements to position oneself to reap the rewards from government spending and opportunities. Two undergraduate students who had used a class project to capitalize on government policies to stimulate entrepreneurship called this taking advantage of the "government wind."

In this case, the students were able to use government policies not only to take advantage of a new university class designed to create products, but to get government-owned universities to allow the students to distribute their product in university buildings and recruit other students as workers. The students were very conscious that they were participating in a government policy and benefiting from government support. From students to entrepreneurs to the senior management of Korean *chaebols*, sailing in the "government wind" was very common and often the centerpiece of their business strategy.

A third economic response to dictatorial control is to take advantage of the growing private sector, but to avoid the government as much as possible. These people operated in a market niche that did not bring their business activities into direct dependence on the government. For these people the government was a problem to avoid because of corruption, over-bearing power, arbitrariness, or uncertainty.

The chameleon is a very interesting response. At the Confucian Entrepreneur Conference, many entrepreneurs spoke on the first day to an auditorium filled with 200 to 300 people. I was surprised to hear the extent to which many of them spoke about how they integrated Confucian ethics into their business activities. Yet, as noted in the data, some of

the “Confucian entrepreneurs” had made their fortunes through government connections, not market exchange guided by Confucian principles.

The interesting point is that these businesspeople took the time to come to the university event to portray themselves as Confucian-motivated entrepreneurs. Why would they do that? Since some of them spoke at length about Confucian principles, they had either studied Confucian philosophy in school or later in life. In any case, some dressed themselves in Confucian principles while doing backdoor deals with the government.

Some portion of successful Chinese businesspeople want to make their lives meaningful after a certain point of material success. Confucianism, Buddhism, and Christianity are the three primary places they seek meaning. In this case, the meaning was compromised in that they learned ethical principles, spoke about ethical principles, but participated in common though illegal government corruption. It could be they intended through their public speaking to improve their public image, their face, which could have economic benefits, or they felt uneasy about how they made their money and were struggling with their conscience. In the latter case, face replaces guilt; a collective sleight of hand.

In any case, the public speeches show the importance of Confucian ethics in Chinese society. For even if the entrepreneur was neither ethical nor struggling with ethics, the audience did hold ethical values or otherwise there would be no point in professing allegiance to Confucian teachings in front of it.

It is a multi-level irony that a communist government has opened up private markets, made vast private wealth possible, but tied the wealth to market-government relations for itself and its officials. The moral void or confusion in which all this takes place creates a need in some for moral justifications or moral sense making. In this effort, individuals reach outside both communism and market economics to religion and philosophy. Like risky and/or corrupt market transactions, moral proclamations too can be a mix of substance, corruption, and illusion.

In the case of the chameleon, he hides money made through corruption not just for legal protection, but also for moral protection, internal and external. The external protects against the loss of face, the internal attempts to patch the split conscience. The two intimately relate because face is both external and internal, social and personal. Indeed, the higher the social standing of a person, the more inner goodness must be demonstrated publically.¹⁹ Hence, the chameleon is not only fooling the audience about his inner goodness, but also his (collective) self about his successful struggle with greed.

The second categorical response to dictatorship is adaptation. It is negative adaptation in that the individual “tunes out” all political matters and goes about his or her life with as little thought about political issues as possible. This is not an easy path to take since the government is

pervasive in Chinese life. This person's key political feature is escape. They try not to think about or talk about politics. One can see the influence of this perspective in the fact that it is common in China for people to say they know nothing about the government or will not talk about the government.

The third categorical response to dictatorship is commitment to communist ideals. Certainly, all Chinese have contact with communist ideals in the government-controlled education system. As was shown in the data, political education is required on all education levels and beyond. Some substantial portion of the population goes through the motions without internalizing these values. Others do internalize these values. As was shown in the data, some people who have suffered under the Communist Party still believe in the good intentions of the Communist Party. Some families transfer these beliefs from one generation to the next.

My data shows there is a question how strong these commitments are in the younger generation. This is a natural phenomenon in the arrival and departure of generations.²⁰ The Communist Party works diligently on this problem and, according to the American executives, has more confidence in receiving obedience from non-cosmopolitan areas of the country. This raises the question that as modernization proceeds and more and more of the population interacts with diverse ideas and systems, will this weaken commitment to communist ideals? Clearly, this has already happened with some portion of the population. In any case, given the size of the non-cosmopolitan population, the government's control over education and media, and a strong supporting nationalism it will most likely be decades before changes in commitments to communist ideals become a key political factor.

In any political or religious system, there will always be differences between strong believers, less committed, indifferent, and opposition. Typically, the marginally committed and indifferent comprise the majority.²¹ The Communist Party does not need the whole society strongly believing in its ideals, but it does need to replenish its core cadre. It has a robust system in place to do this.

The fourth categorical response to dictatorial control is denial. In the first example, a manager's parents and grandparents still believe in the good intentions of the Communist Party even though they lived through waves of violent campaigns in the first three decades of Party rule. More recently, a small-town mayor falsely and illegally arrested and jailed the father over a business disagreement. The family was in a crisis as they worked desperately to find Party connections who could help secure his release. Even after all this, the family still believes in the Communist Party.

It is difficult to see this as a rational conclusion given the suffering the family has experienced at the hands of the government. Their experience does not support their conclusion. They do not deny that bad things

happened, but they deny the government is bad for having done them. They need to remain attached to the Communist Party.

The Communist Party plays an important role in their psychology. The attachment protects their identity from uncomfortable experiences that would be difficult to justify. In terms of the former, some generations went through years of indoctrination starting in preschool that created life-long emotional attachments and worldviews that justify them at the center of the individual's experience. In terms of the latter, millions of Chinese participated in violent acts during the Cultural Revolution. At the time, these acts were justified as defense of the Communist Revolution and its leader Chairman Mao. This is one reason Mao's legacy still garners respect in China: Bringing Mao to account would mean all those who committed violence under his direction would be open to account, at least within their own conscience.

Another reason people revere the Communist Party is because they benefit from the Party's control of economic resources of one kind or another. In the case above, the father currently owns his own business, but in the 1990s, he was the CEO of a SOE. He made the move to the private sector during the first major wave of reforms. His current private company started with office building construction and property management and more recently added solar panel manufacturing. The construction of office buildings closely relates to government regulation. Extensive approvals are required to access the land, building permits, and bank loans. Solar panels too are a government priority to improve energy efficiency. The family could not criticize the Communist Party without criticizing the economic system upon which they are directly dependent. There are great economic and psychological interdependencies in China between many families and the Communist Party's structure of power.

The example of the diplomat in Cuba shows the repression of political feelings. It is particularly surprising because the individual was not only a government employee and member of the Communist Party, but worked in a highly politically sensitive area, foreign diplomacy, which would require significant demonstration of "correct" thinking. Yet the son said his father was "completely apolitical." He did political work in a highly political organization, an embassy, yet had no political feelings. His external political behavior was "correct," but his internal experience was missing, empty.

The case is extreme, but it shows one response to dictatorial control. The father worked during the Mao years when dictatorial control took on totalitarian dimensions. During the worst of it, Mao destroyed the government, set up various parallel governments, and encouraged extreme forms of violence throughout the country.

The essence of totalitarianism is not fanaticism. In fact, it is the opposite: The complete inability to make any commitment at all.²² Everything is possible. This is why totalitarianism is a new form of political organiza-

tion. It is an anti-organization. It survives by endless movement, what Mao called “permanent revolution.”

What we know of the father fits this type of organization. He had no feelings. He followed orders. His minders did not notice a problem. The world had gone mad but he continued to function as if nothing had happened. Denial and loss of feeling are essential tools of totalitarianism.²³ It is how one maintains psychological control with the complete loss of normative order. It is how people continue to function and obey. Their loss of internal structure makes them plastic, completely moldable. This is exactly what totalitarianism seeks and how it functions without moral order and social stability.

CONCLUSION

In every republic, there is an upper and a lower class.²⁴ Without doubt, the upper class in China is the Communist Party. It is a dictatorship. One of its central characteristics is secrecy. The population knows little about how it works. An extensive system of representation exists, but for the most part, is controlled and manipulated by the top leadership of the Communist Party.

The Communist Party membership is under seven percent of the population, yet in Leninist fashion, it has inserted Communist Party cells throughout the organizational structure of society. In this way the few monitor, discipline, and control the many. They have intensified the structure of control in recent years.

The Communist Party maintains itself through many means, including developing psychological and economic interdependencies between itself and its membership. From the top of the Communist Party through its cadre ranks, many families maintain their membership in the Communist Party over generations. Jobs pass down through families or families purchase new positions. Parents prepare their children for these career paths. In this way, significant numbers of Chinese families have enduring commitments to the Communist Party. This is an important part of its stability.

Because the population is so large and government jobs and private sector success limited to a fraction of the population, observers continually describe the political situation in China as a “pressure cooker” or “tinder box.” Despite the enormous economic success China has achieved over decades and the great wealth it has created, hundreds of millions of Chinese did not benefit. Even “successful” middle-class families, despite the apartment ownership, cars, and international travel, express despair about the high mortgage payments, low salaries, and economic pressure generally.

The dictatorial political system struggles with these problems more than ever because despite its communist ideology, its legitimacy is more than ever tied to a rising standard of living. The two-class structure discussed above is indicative of a broader problem with the political system: The monopoly on power and dictatorial culture is prone to self-involvement, self-enrichment, and the use of fear to maintain control.

The communist dictatorship system continues the general orientation and attitude of the dynastic system that came before it. The Confucian ideology of the latter posited society as a family, where a benevolent emperor-father ruled over and made decisions for the benefit of a grateful population. The emperor and his ranks of scholar-officials, who managed the system, were to act in accord with the highest Confucian virtues. The historical record of performance is mixed. Great success shares the record with great abuse, both the result of the elite's practically unchecked power. In other words, the Confucian system of moral elites often led to its opposite.

The communists make a herculean effort to conceal the horrible record of their founding emperor-leader, Mao Zedong. Mao was a master, as was his role-model Stalin, of including the population in his crimes, if not his disastrous decisions. The Cultural Revolution, his last and prolonged crime, hangs over Chinese society like a dark cloud, because Mao led millions of Chinese down the road of violence, murder, and mayhem. Because the Communist Party's full historical record remains hidden behind a wall of propaganda, repression, denial, and fear, the political system remains frozen to its past unlikely to turn toward more just representation. Characterizing this political system as "adaptive governance" is an exaggeration if not a myth.

The profound reversals in economic policy and relaxation of political controls, especially backing off ideology indoctrination, that took place after Mao's death in 1976, has left the country focused on wealth creation and little more. With the Communist Party insisting on its version of the one-party system while presiding over a partially "privatized" economy, core values are unclear to nonexistent. It is in this context that wealthy entrepreneurs, some of whom made their wealth through "backdoor" government contacts, proclaim their commitment to Confucian ethics. Hundreds of people show up to hear them speak. People hunger for moral purpose in a ruthlessly competitive environment controlled and exploited by a one-party dictatorship whose cadre were stuffing their pockets with cash until Xi implemented the established attack-the-Party-and-consolidate-power strategy. Is this moral leadership?

The chameleon nature of the entrepreneurs—donning ancient Confucian garb while profiting in a highly corrupt state-centered economy—shows the search for moral direction while simultaneously using morals to camouflage unethical behavior. This is just one type of psychological splitting that goes on in a society where power, fear, and propaganda are

the core values of the political system, while the government permits limited freedom in the economic system to keep the whole thing from imploding. This, some say, is the model that will take over the world.

NOTES

1. Stephen Kalberg, ed., *Max Weber: Readings and Commentary on Modernity* (London: Routledge Publishers, 2005).

2. Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper and Row, 1950).

3. Ernest Gellner, *Reason and Culture* (Oxford: Blackwell, 1992).

4. Sebastian Heilmann and Elisabeth J. Perry, "Embracing Uncertainty: Guerilla Policy Style and Adaptive Governance in China," in *Mao's Invisible Hand*, ed. Sebastian Heilmann and Elisabeth J. Perry (Cambridge: Harvard University Press, 2011).

5. In a general sense, this situation applies to all state employees. "[T]he Communist working class—particularly those in state industries—became a closed caste, an industrial elite with hereditary jobs." William C. Kirby, "Myths and Lessons of Contemporary Chinese History," in *The Peoples Republic of China at 60*, ed. William C. Kirby (Cambridge: Harvard University Press, 2011), 4.

6. "Powerful officials presiding over local fiefdoms have swept aside rules even more crudely, establishing market places in which government positions are bought and sold for huge financial gain." Richard McGregor, *The Party* (New York: Harper Collins Publishers, 2010), 75.

7. Weber described Chinese religion as a "magic garden" of spirits that the individual used as needed to ward off illness, gain success in life, and so forth. Max Weber, *The Religion of China* (New York: Free Press, 1951).

8. One of the cardinal virtues of Confucianism is having a sense of shame. Orville Schell and John Delury, *Wealth and Power* (New York: Random House, 2013).

9. Walder argues that youth were also sent down because of high unemployment levels and to diffuse Cultural Revolution violence, both of which were a threat to Party governance. Andrew G. Walder, *China Under Mao* (Cambridge: Harvard University Press, 2015).

10. Etienne Balazs, *Chinese Civilization and Bureaucracy* (New Haven: Yale University Press, 1964).

11. Gerald W. Chapman, *Edmund Burke* (Cambridge: Harvard University Press, 1967).

12. Alternatively, in Perry's view, the best framework for understanding China's political system is its authoritarian heritage, particularly its flexible governing principles. She seems only half right because China's wide and enduring heritage of corruption is not pragmatic or popular, just greedy. Elizabeth J. Perry, "From Mass Campaigns to Managed Campaigns," in *Mao's Invisible Hand*, ed. Sebastian Heilmann and Elisabeth J. Perry (Cambridge: Harvard University Press, 2011).

13. "Coinciding with China expanding maritime interests is the combination of growing popular nationalism and increased reliance on the part of the leadership on this nationalism to maintain its popular legitimacy." Robert S. Ross, "China's Three Rises, Regional Power Transitions, and East Asian Security," in *The People's Republic of China at 60*, ed. William C. Kirby (Cambridge: Harvard University Press, 2011), 101.

14. Religious groups are still a major source of resistance to the Communist Party. Wang Yi, a Christian pastor in Chengdu, "published on social media a 7,300 word manifesto titled "Meditations on the Religious War." In it, he urged Chinese Christians to civil disobedience and accused the Communist Party of instituting "Caesar worship," by turning politics into a religion elevating Mr. Xi to the status of the Roman emperors or Egypt's pharaohs." Eva Dou, "China Detains an Activist Pastor," *The Wall Street Journal*, December 11, 2018.

15. This blog was shut down by the government in 2018 during an increasing crack-down on academia.

16. In February 2018, the Communist Party removed term limits from the Chinese constitution for the president. Commentators say this too is at least partly defensive preparation for instability brought on by eventual economic downturns.

17. The “people’s congresses are subject to instructions and controls by the leadership organs of the Chinese Communist Party.” Heilmann et al., *China’s Political System* (New York: Rowman and Littlefield, 2017), 127.

18. Hannah Arendt, *Essays in Understanding* (New York: Schocken Books, 1994).

19. “. . . the higher the social standing of a person the more dignity he has to maintain, and the more vulnerable this *lien* [moral reputation] becomes.” Hsien Chin Hu, “The Chinese Concept of ‘Face,’” *American Anthropologist* 46, no. 1 (January-March 1944): 254.

20. Eric Erickson, *Identity, Youth, and Crisis* (New York: W. W. Norton, 1968).

21. Edward Shils, *Center and Periphery* (Chicago: University of Chicago Press, 1975).

22. Philip Rieff, *Fellow Teachers* (Chicago: University of Chicago Press, 1985).

23. “Eichmann was not Iago and not Macbeth [both characters in plays by Shakespeare], and nothing would have been farther from his mind than to determine with Richard III ‘to prove a villain.’ Except for an extraordinary diligence in looking out for his personal advancement, he had no motives at all.” Hannah Arendt, *Eichmann in Jerusalem* (New York: Penguin Books, 1963), 287.

24. Niccolo Machiavelli, *The Discourses* (New York: Penguin, 1970 [1525]).

SEVEN

Political Change

It is ironic that the communists and Mao among them sought to remove class from its deep structural position in Chinese society, only to come to this day where class is the central fact determining the balance of power in China and the country's capacity to change. From the horrendous experiment in suffering and death that the class removal project was, today three classes are core to Chinese social structure: the Communist Party, the lower class, and the newly arisen and continuing to rise "middle class." The conflicts and cooperation between these three classes are the central facts structuring the Chinese political system.

With a population of 1.4 billion, the 92 million strong Communist Party is trying to keep a lid on things in a period of great economic growth, significant social change, and international conflict. Many say the key to this situation is the 400 million middle class who have gained a lot and have a lot to lose. The upper end of this class and above are hedging their bets by buying real estate abroad, but back at home this linchpin "middle class" has yet to put much daylight between themselves and the people with guns, the Communist Party. They know not only who butters their bread but also who patrols their streets lest the hundreds of millions of poor decide they cannot take it anymore.

The situation is not so much will the middle-class challenge or even nudge the Communist Party, but will the poor get to the point where they feel they have nothing to lose or will the Communist Party get to the point where they conclude the only way forward is to bring the population into the forbidden city, politics. Alternatively, and currently, the Communist Party is doubling down on dictatorship and repression, the only question is, how far will they go? Is a return to a totalitarian killing machine in the cards? The fact that a gulag-type prison system has been

set up in Xinjiang with state-of-the-art repressive technology makes the situation indeed worrisome.

In this chapter, I will analyze data from the middle class, focusing on current reactions to the political situation, especially changes arising from generational change and its influence on the possibility for political change. Generational change necessarily brings change to any society. How is this playing out in China? What effect will it have on the values of the political elite and the relations between the three classes, especially the Communist Party and the middle class?

GENERATIONAL CHANGE

One-Child Policy

From 1979 to 2016, Chinese families could not have more than one child by order of the government. Chinese often refer to children born during this period as “the one-child generation,” the only generation in Chinese history with this characteristic. Chinese often say that individuals in this generation are “selfish” because they had two parents and four grandparents focusing their attention on them and did not have to share with siblings.

A 27-year-old Chinese woman educated in the United States said these are the only children who do not know how to compromise their interests. Their divorce rate is high. In six months or a year, they are divorced. The only child does not learn how to change themselves for other people, she said. A Chinese law professor mentioned a darker problem. They cannot tolerate frustration. Sometimes they commit suicide at the university. They were number one in their high school class but cannot be number one at the university because there are many number one’s at the university. They are spoiled, he said.

The Internet

Another unique feature of this generation is that they have grown up with the Internet. They thus have more access to information than any previous generation. They know more about the world than previous generations, according to a Chinese executive who lives in the United States and does work in China. This makes them different from previous generations, according to an American professor teaching in Beijing. Communications have opened up and the government cannot fully control it. According to a Chinese law professor, the party-state had been able to control most information for most of the past 60 years, but the new generation’s increased level of knowledge has changed the situation in which the Party operates.

The Communist Party has responded to the great increase in access to information by creating an organization of thousands of Internet monitors. These monitors block Internet searches, sites, blogs, specific statements, and even words. A Chinese public relations consultant said the average Chinese does not understand the political world because the government blocks information. The government hopes people will not question the government's legitimacy, he said.

A Chinese professor of philosophy who was moderating the Confucian Entrepreneur Conference I attended at Peking University said people born after 1980, the generation of the Internet, have complex values and relations. The new Internet culture, according to him, was simply insults, not educated. He recommended that China return to its traditions, especially the Confucian tradition. A Chinese producer of television shows for young people had a different take. For him, young people like stories about social relationships with fast-paced compelling themes, utilizing a high level of technology with intense colors and high fashion.

Discussion

Will the Internet increase the access to information to such an extent that it will create the information base for multiple parties? Will the increase in information undermine the Communist Party's system of control? This has not happened up to this point. It is unlikely to happen because the Communist Party is developing new organizations and technologies to restrict new levels of information. The Communist Party still controls the media, education, and the capacity of the population to organize.¹ They limit information availability through a vast censorship system. Security services arrest people for slight violations of the rules.² The Internet and the increase in access to information will have an effect on politics in China, but it will not undermine the one-party state, because the state is putting enormous resources into controlling access to information, public and private expression, and all other forms of political action.

Will the population push back? Some will. It is a small minority. A sociopolitical system that encourages obedience through indoctrination and fear socialized the population. They channel their energies into wealth creation opportunities and new cultural forms, especially Internet communications, entertainment, and games. The television producer says youth is interested in fast-paced action, vivid colors, and social status and social relations. All this is outside the political arena and not a threat to the one-party state.

The philosophy professor described the Internet social world as insults and ignorance. There is a political aspect to this statement because the government is insulted too, and exposed. It is common to see videos and commentary, before removal, of government heavy handedness, cor-

ruption, dishonesty, and stupidity. People make critical statements. The government deletes them. It is a cat and mouse game, a risky one for the individual. Certainly, the game is different from 20 years ago. Certainly there is much more criticism of the government and it reaches a broader audience faster, especially when it is couched in indirect symbols. The government watches it, tries to control it, learns from it, and adapts to it. It is changing the shape of politics, but at this point, it does not appear to have significantly altered the broader population's political motivation let alone the distribution of power.

Western Influence

With so many young Chinese traveling abroad, receiving education abroad, working with Western people all over the world, and enjoying Western culture the influence on young Chinese is significant. A 30-year-old Chinese manager with a graduate degree from the United States said for his parents' generation (born in the 1950s and 1960s), traditional Chinese values were central. They were not open to difference. The Western educated part of his generation (born in the 1980s) have become more open. For the generation born in the 1990s, they are even more open and creative. Chinese traditions were a heavy influence on the 1980s generation. The 1990s generation were strongly influenced by both Chinese and Western values. For example, the 1950s and 1960s generations "hate gays." The 1970s generation find gays "a bit disturbing" but would not say so in public. The 1980s generation would "come out" to friends and colleagues. The 1990s generation support and promote different sexual orientations, he said.

The manager said when he was young and heard the word "community," he thought of people "living close to each other," but now living in Beijing and Shanghai is similar to living in the United States. Civil society is growing because people are becoming more tolerant toward different things. There is a large group of foreigners in these cities and a big pool of Chinese with foreign degrees. There is a joke in China, "When do you think China will become a democratic country?" Answer: "When people born in the 1980s die." In other words, the younger the generation the more democratic. A 40-something Chinese manager who had lived abroad for over a decade before returning to China agreed. He said young people born after 1985 line up for the bus. They imitate foreigners. He said people are "waking up" and rethinking what is good. It was not possible in the past when they had to focus on survival.

A 27-year-old, Chinese manager who went to graduate school in the United States made some related comments about marriage. People expect, she said, that you must get married by 25. Her friend is 30 and not married and the friend's mother is crying. This is common. In Beijing, if a young couple is getting married, the "guy" has to buy an apartment and

a car. If he does not, he will not get the girl he loves, but for this 27-year-old and her friends, what others think is not important. They are independent women. Some parents, however, force their children to marry. The parents do not care if they are happy or think they will grow to love each other, she said.

The essential Chinese cultural category of *guanxi* is, according to the 30-year-old Chinese manager, changing fast. People born in the 1950s or 1960s do nothing without *guanxi*. Those born in the 1970s will use *guanxi* to make life easier. Those born in the 1980s think if they have *guanxi* it is good, but if they do not have *guanxi* there are other ways to achieve. For those born in the 1990s and live in big cities, *guanxi* is becoming more social, that is, it is just a personal relationship. For his parents, professional and personal relationships were very close, but he (born in the 1980s) tries to separate them. For those born in the 1990s, the line is still more distinct. For the 1980s generation, it would be uncomfortable to ask a friend to help find a job for another friend or a child. For those born in the 1990s, it would become even more uncomfortable.

Discussion

The 30-year-old manager, educated in the West, who spoke in detail about the changes between the generations on attitudes towards homosexuality, Westernization, the development of civil society, and the role of *guanxi* described a general trend toward openness and tolerance. I will make several points. First, at the end of this interview about the increase in openness in Chinese society, the manager double-checked with me to make sure my publication would not contain his name. This post-interview anxiety happens in China. It shows that the narrative he expressed is optimistic and reality has not caught up with it, at best.

Second, this individual has a master's degree from a top American university. He shows considerable acceptance of American values. In fact, throughout the comments in this section on Western influence, Western values *are* the primary change agent in Chinese culture. The 27-year-old woman, who criticizes parental and societal pressure for marriage, refers to herself and her female friends as "independent women." This is individualistic language common in the United States not China. She lived in the United States for seven years, receiving undergraduate and master's degrees and working for a year. Yet at the end of it all, despite fluency in English and marketable degrees, she felt her American friends did not understand her and returned to China. The influence of American values on Chinese is complex. For this individual, America did not become home, despite her acceptance of individualistic values.

Third, the 30-year-old manager, who went to graduate school in the United States, defined "civil society" in American terms as "tolerance." In fact, he equated Western with "civilized," implying traditional Chinese

society was not civilized because it was not open and tolerant. This individual used treatment of homosexuals as an example. He said, paralleling his comments on other aspects of Chinese society, that there was a steady trend toward acceptance of homosexuality in Chinese society. Each generation is becoming more accepting than the previous one.

These statements are not consistent with my other data. First, homosexuality is illegal in China. Second, the government did not consider a talented homosexual high school teacher who applied for an administrative position. The general perception in the school was that his sexual orientation prohibited his consideration for the job.

The 30-year-old manager also described a decreasing role for *guanxi* from one generation to the next. This too is far from consistent with patterns in my data. One can easily see even young Western educated recently returned Chinese with active *guanxi* networks. Given the structure and culture of Chinese society, it is hard to see how one could be ambitious and not have active *guanxi* networks. It is difficult to see a decline of *guanxi* from generation to generation, as he described.

Yet both the 30-year-old and the 27-year-old were speaking from their experience. They had been educated in the West, accepted certain American values concerning independence and tolerance, and were sensitive to signs of these values developing in Chinese society. In my data, they represent pockets of change. Indeed, the 27-year-old describes generational conflict between her values and the values not only of her parents' generation but with others in her own generation. She criticizes the expectation that a man must buy an apartment and a car to get the girl he loves. She rejects the gender inequality and materialism of her own generation. Likewise, the 30-year-old tells a story of increasing tolerance but only does so in secret.

Finally, the 40-something manager who lived abroad also comments on the increasing civility of Chinese youth that he too attributes to "foreign influence." Importantly, however, he adds civility is impossible if one must focus on survival. These Chinese, who have lived in the West, assume Western culture is more civil (polite and tolerant), than Chinese culture and Western culture is influencing Chinese culture to become more civil. However, the 40-something manager says this will not be possible without economic development. Living at the subsistence level or worse does not lead to civility. When physical survival is at stake, competition is unconstrained. Prosperity and civility are related.

No History, No Politics

Not everything is changing. A Chinese journalist working for a state run newspaper said the younger generation does not know history, so they do not know what is going on or what could happen. They do not care. They do not talk to each other about politics and do not talk to their

parents about what the parents went through. An American lawyer added, young Chinese do not think about the Cultural Revolution. For those under 35 it is not part of their mental framework. These views are completely consistent with conversations I had with my students in China.

The young focus on making money. A Chinese Hong Kong banker said if the mainland youth are smart and talented and do not want to be corrupt, they go to the private sector. All young people are about money, he said. They jump from one private company to another for money. The turnover problem has not gone away. Everything is about money. They are more capitalist than Americans, he said.

Young Chinese are ambitious. According to a Chinese doctoral student at an American university doing fieldwork in Beijing, non-college educated Chinese born in the late 1980s and 1990s are no longer satisfied working in a factory. Even delivery "guys" want a better job. They want to be their own boss. Many factories are paying well to keep workers, she said.

There appear to be several reasons young Chinese focus on money. There are eight million college graduates each year, the Hong Kong banker said. It is very difficult to continuously create this many jobs. This is why the government is encouraging and funding entrepreneurial ventures. President Xi wants to give young people the "China Dream."

A 35-year-old, Chinese banker put the perspective of college students in historical context:

Students have no time to protest because they are too busy working at school. In 1989, students had time to protest because they were an elite. Not everyone went to university at that time. Now everyone is struggling for gold. In 1989 students were locked out of opportunities so they protested. Now people want to get rich and avoid destitution. No one trusts the future. One must get money before change comes and opportunities disappear.

Nonetheless, despite a strong focus on money making China's youth are changing in ways that have political implications. A Chinese editor at a state-owned newspaper said today's youth are very different from 20 years ago. Twenty years ago, they had ideals, believed in something. Now youth is more materialistic and more innovative. They emphasize personal freedom, he said. According to an American lawyer, they think they have rights. They have never experienced government involvement in every detail of their lives. They choose how to entertain themselves. According to the Chinese executive living in the United States, they will not tolerate massive job cuts as the previous generation did in the 1990s.

A Chinese executive agrees, today's China is not similar to 20 years ago. The earlier generations learned to sacrifice themselves, but that is hard to imagine for the younger generation. The government realizes this. The government will change, he says. They cannot stop the develop-

ment. The Communist Party will become a social party or a labor party. He does not know how long it will take.

Discussion

There is an inconsistency in the views of the Chinese banker and the Chinese executive. The banker says that people want to make as much money as they can before the government closes down opportunities to make money. This is a very common comment in China. I heard it in 2007, 2010, and 2016. Many Chinese do not trust the government to keep the economy open.

The executive and others, however, stress that the younger generation is more self-interested than previous generations; they expect economic opportunities and will be less willing to tolerate the lack of them. The government is already under pressure from unemployed and under-employed college graduates. At Peking University, it was common to see young people with master's degrees from top American and Chinese universities with secretarial or low-level management jobs struggling to make an adequate income.

This is one reason the government is pushing and funding entrepreneurial start-ups. The government wants to solve the unemployment problem through entrepreneurship. It wants to make entrepreneurship a path to the "China Dream." As a rule of thumb, however, 9 of 10 start-ups fail in the United States. It seems reasonable to expect the failure rate to be even higher in China, because many of the new entrepreneurs have little background for the difficult challenges facing new business creation. On the other hand, China's economic growth rate and developmental stage provide many opportunities.

The government is trying to manage economic growth and head off a potential conflict between declining job opportunities and a young population that will be less willing to accept declining or stagnant standards of living. The government's strategy to address the younger generation is to maintain economic growth, create avenues for entrepreneurship, clean up government corruption, increase monitoring and control systems, and increase indoctrination efforts to reestablish collective values (including the development of a personality cult).

The cat is out of the bag on the collective culture front. The introduction of markets and the government's own massive entrepreneurship program will continue to cultivate self-interest among the population, as will the extreme materialism that resulted from the government opening up economic opportunity while blocking political participation. The Xi government may be somewhat backing off Deng Xiaoping's "some will get rich first" mantra, but short of a new "cultural revolution," Chinese individualism is out in public.

The government has created a contradiction. On one hand, it had no choice but to open up the economy and wealth creation to hold on to power after the Cultural Revolution, but the result is a self-interested population that is less obedient and less tolerant of self-sacrifice. On the other hand, the government insists on a one-party communist state with a collective ideology and wide involvement in the economy and many other aspects of social life.

The government's use of materialism as a diversionary channel has had unintended consequences. The younger generation is showing signs of independence or at least less submissiveness. They are less committed to communist ideals than were their parents. According to the last executive, the government realizes this development and will change. He believes the government will open up the political system, becoming just one party among others.

There are no signs of this. On the contrary, they are doubling down on control and repression. All aspects of Party control are tightening. At this point, a new generation, characterized by less commitment to collective ideals, less tolerant of sacrifice and subsistence, and with strong desires for wealth is facing an expanding dictatorship that seems to have every intention of maintaining and even expanding its monopoly on political power. The one place the three classes meet is wealth creation. As long as the economy keeps growing, perhaps enough people can get what they want from wealth creation. The question is can the government provide, in the words of President Xi, "a moderately wealthy society," and will that be enough to keep the population satisfied.

A very important factor that plays into this situation is nationalism. The younger generation is proud of China's accomplishments and associate their newfound wealth with a love of country. Will nationalism absorb the old collective ideals to keep the new generation committed to the whole and willing to sacrifice for it? This is indeed possible and something the government massages and manipulates through the media and education systems. The government has many cards to play internationally to stoke loyalty and solidarity at home.

Another very important point in all this is the data stresses and my experience with Chinese students confirms, the younger generation knows little history, or perhaps it is more accurate to say young educated Chinese know selective history. Importantly, for example and this is just a single example, they know about the economic failures of the Great Leap Forward, but do not know that tens of millions died of starvation.³ They know little to nothing of the Communist Party's murderous and torturous campaigns over the entire Mao period and before.

It is this lack of knowledge of history, of what has happened and what can happen, that casts a dark light on China's future. It casts a dark light in two ways. First, the facts of the past are a check on the present, a way to understand and test the reality of the present. Since incredibly the

Chinese Communist Party (CCP) has been able to conceal the deaths of tens of millions by starvation for decades, what else have they concealed, what can they conceal? Without knowledge of history, the astonishing record of human social experience is not available to question the present. The natural tendency for governments to conceal the truth and for people to deny emotionally difficult experiences, have become institutions in China through the structure of power.

Second, successful denial of reality by individuals and successful repression of reality by governments is not a mere loss of information. It creates an information gobbling mechanism. All information associated with the lost information is concealed too, lest it suggest memory of related material.⁴ When I tell my Chinese students of the tens of millions of deaths by starvation from the Great Leap Forward, they either do not believe it or become disturbed or quiet, because such momentous information has shocking implications for many other things they believe. For this reason, missing information creates more missing information and is one of the reasons it is true that people who do not know history are vulnerable to repeat it.

NEXT GENERATION LEADERSHIP

Who will lead China in the future? Will the Communist Party be able to maintain control of the government? Will the Princelings be able to maintain control of the Communist Party? For the first generation of Communist Party leaders, argues a Chinese CEO at a European multinational corporation (MNC), there was no doubt about their right to rule because they took power on the field of battle. The second generation inherited power. Their legitimacy rests on the original mandate. Now in a vastly changed society, does the third generation have its own “natural power” to inherit the government? It is a “big question.” The third generation is far from the original revolutionaries, said an American professor of management. Their beliefs in the original system have declined. This is the biggest threat to the third generation, he said.

In this context, beyond the current ruling Princeling families and other prominent families, the natural cycle of birth and death is slowly bringing the next generation onto the scene. The next generation has a number of new characteristics. A 40-year-old Communist Party official draws a sharp distinction between the poverty and political turmoil experienced by the first two generations and the third generation who grew up in relative calm and prosperity. The third generation knows only the “remnants” of the socialist era. They grew up thinking China is the mightiest country on earth. Their sense of pride is unparalleled, he said.

The generation born in the 1960s and 1970s wanted to get a job in government and have a stable career, said a Chinese professor of man-

agement. The one-child generation (born after 1979) prefers to work in a start-up or to start a company themselves. They had received generous support from their parents; they want to continue a good lifestyle. They are on the Internet all the time and have much more awareness of the outside world. A Chinese executive working for an American MNC added, the next generation is well educated and wealthy. For them, it is not necessary to steal money. They will be happy to help others. Their goal now is to make as much money as possible, he said.

An important characteristic of the post-1980 generations is that many of them have gone abroad to live. Millions received education abroad. Up to 2020, these trends continue.⁵ Will these foreign educated take leadership positions in central institutions and transform China toward Western liberalism, similar to their experiences abroad? The majority of educated Chinese are optimistic.

A Taiwanese executive who worked in Beijing for two decades and has retired in the United States said one-third of the graduating class at the Stanford law school and half in the master's of international relations are Chinese. Some of these people will go back and change China. Some Chinese who have lived or traveled abroad think that returnees are very positive about China because they have lived in another system and have the "big picture," according to a Chinese CEO of a European MNC. She contrasted the lived-abroad group with local intellectuals who are against the government and untrusting. In other words, locals cannot see the "big picture." They cannot see the strengths of the Chinese government. They cannot see how China can evolve in a more liberal direction.

An American Chinese lawyer who splits her time between China and the United States believes China will have the rule of law, because students are getting MBA, MS, and law degrees in the United States and Europe. The exposure they have to other countries will slowly change China. It will take time for the young to grow into leadership positions, but there are many brilliant people in this group; they are not all Princelings. Some are serious people and thinking about what they are doing, she said.

A Chinese CEO of a European MNC said that all the interaction between the United States and China cannot but create shared values. After this when young people take leadership positions in China, they will have a different view. Perceptions will be different. He is still hopeful.

An American lawyer who has practiced law in China for decades said more and more of the Chinese elite are getting degrees overseas. It is a generational change. There are more and more people with international experience entering positions of power. These are highly trained "people." They know both Chinese models and Western models. The result will be a unique model in China.

There are contrary views, however. A Singapore diplomat living in Beijing said she is married to a Swede. Swedes are very progressive. She

was educated in the West. She also has a Confucian education. The result for her has been a big struggle personally to deal with the civilizational differences. Confucianism will not easily accept freedom of speech and human rights, she said. New leaders in China educated in the West will face challenges to integrate East and West. It could be another fifty years before such leaders have this internal composition. It will take an internal conversation within individual leaders, she said.

A 30-something Chinese Hong Kong manager with work experience on the mainland raised many questions about the effects of overseas study. Will the education influence Chinese politics? By when? In what way? Are these changes substantial enough to make a difference? This is ultimately a question for Chinese society. It may take a generation, he said.

A Chinese banker reflected on her experience with overseas-educated executives trying to make changes in China. Sometimes people who promote change get in trouble. They might end up in jail or made very poor. Some Chinese come back from overseas not to make changes but for financial opportunities and/or social status. They do not necessarily want to change the system, she said.

Most Chinese who seek education overseas study business management, engineering, computer science, or science.⁶ These fields may not influence political orientation. Chinese studying overseas often remain inside Chinese social groups. This limits their cross-cultural experience. Furthermore, many Chinese do not return to China after overseas study. These may be the ones who changed the most.

For the ones who do return, once they are back in China they face challenges. Currently the Communist Party is in a phase of tightening control over society.⁷ There is no sign of liberalization now. In fact, small even insignificant relations with Western institutions or culture can damage one's career chances, according to a Chinese journalist working for a government-run newspaper. An American lawyer who has worked in Beijing for decades said President Xi received the position to tighten things up. Now the 66-year-old Xi may stay in office for life. In 2017, he replaced five of the seven members on the Politburo Standing Committee. Xi is making an effort to institutionalize a conservative communist vision for China. Xi, who has shown no liberal tendencies as president, it is worth remembering spent time in the United States when he was young.

The Communist Party exercises control over leadership positions down to the lowest levels of society. A Chinese professor of political science said that at Chinese universities the government decides career paths, promotions, and the distribution of resources. If the government likes a person, their career takes off. If they do not like a person, the career goes nowhere at best.

Another challenge facing those returning from abroad hoping to create institutional change is cooptation. In addition to having control over vast resources, the government controls much of the institutional environment and the social stratification system. The professor explained that since the government controls all occupational positions and the social context in which they exist, many return because they can receive more *face* in China. A foreign degree can be prestigious, but if the government likes the person, they will invite them to government meetings and treat them with respect, treat them like a “superstar.” Everyone wants to shake the person’s hand. In this context, where the government controls promotions, resources, and social status/self-esteem, how many change agents will arise?

Discussion

The fact that millions of young Chinese get educated abroad gets a lot of attention. Many use it as evidence of future Western influence on China as returnees move into positions of leadership, but as the data shows, it is not so simple.

The students abroad are from the one-child generation. There is a general perception that they are spoiled. Many grew up wealthy and received generous support from their families. They have not known material hardship. As the Communist Party official says, they have witnessed China’s extraordinary success. They have “unparalleled pride” in China. It is not clear what shortcomings they perceive in China, even after their experience abroad. Furthermore, before they went abroad they experienced the Communist Party propaganda apparatus for most of their first 18 years, as well as grew up in families where there was little discussion of political topics.

Finally, as stated in the data, youth focus on wealth creation, which does not fall under political taboos. The pursuit of wealth also does not cultivate an interest in political and social change later in life, because it focuses on individual self-interest. This most often receives reinforcement while they are abroad in that much of their social experience takes place inside Chinese social groups with other career minded Chinese students.

There are many comments about the merger or integration of East and West legal or political models. The American lawyer who has worked in China for decades says the Chinese elite is getting educated abroad. He says they are becoming highly trained. It is a generational change. Another American lawyer with decades of experience in China says these are brilliant people, who are serious about their work.

That these people will influence China is beyond doubt. It is normal and natural that new ideas enter a social system, especially nowadays with globalization. The influence can be small or large. It certainly involves some kind of integration with local practices. It is very possible

something unique will emerge from the contact. Cultural change is normal. Indeed, the Communist Party seeks out good ideas and practices and encourages their adoption in China.

As was seen in the data, there are many countervailing forces. Integration often fails because of the tacit nature of knowledge. Knowledge gains its meaning and relevance from its relation to other knowledge. Cultural knowledge is complex; meaning develops through myriad relations to other ideas and values. For this reason, parts of an idea can be accepted while other parts of it are rejected or ignored, or if an idea is rejected the reason for the rejection can remain unclear, or an idea can be "accepted" but through acceptance so radically changed by its incorporation into local practices that it no longer has its original meaning. Sometimes the result is even the opposite of its original meaning.

The Singapore diplomat says it will take the hard work of people who have mastered both cultures to integrate successfully parts of the two cultures. In her opinion, these people do not yet exist in any great number. For example, a lawyer educated in the United States might understand United States laws and legal processes very well, but she may not understand the cultural and political context in which these laws were originally created, let alone what sense they make in a Chinese legal and cultural context.⁸

The diplomat's comments are about the enormous cultural complexities in the relations between East and West. There are also the political challenges to liberalization. Yes, many Chinese are going abroad, but many more are not. Some of those not going abroad are receiving a very different educational experience in Chinese universities. The latter group may not appreciate new ideas from the West. These ideas may be against their interests and/or worldview. These people may have better social networks because they did not leave. The political system itself did not leave. It continues along its traditional tracks, tracks that are part of Chinese society in myriad ways. Thus, the returnees may have quite a challenge to reenter the system in terms of networks and worldview. Short of a legitimacy crisis where openings arise for new leadership and new ideas, returnees will need to work themselves into positions of leadership that could take years, even decades, the whole time competing in, adapting to, and being socialized into the political system, as it exists. Will their foreign education supply their central orientation and value commitments a decade or two later? Unlikely.

As the political science professor describes, the Communist Party controls all important, and less than important appointments.⁹ To be awarded promotions one must please the Communist Party bosses on one level after another as the individual moves up the hierarchy, in the successful cases. Technical skill and administrative performance are not the only bases for promotions. They are based on relationships in two senses: Some social networks are more capable than others of placing

their members in important positions, and the candidate's skill at developing relationships with central figures is vital. These networks are so important to Chinese, the data shows, some returnees return just for the social status and corresponding self-esteem benefits they receive from them. This suggests that there will be great external and internal pressure on returnees to conform.

These social and emotional aspects of administrative careers in China present another challenge to the introduction of foreign ideas. Chinese social life is socially "thick" with an eternal yesterday of ritual and etiquette expectations. The returnee steps into this society having to adapt and at times conceal her differences, her strangeness. She must bide her time, looking for opportunities to introduce her new Western perspectives, but to do so appropriate to her hierarchical position and social relations. China is in great need of new ideas and processes that can help improve efficiency and effectiveness, but these ideas and processes must be introduced into boss-centered departments embedded in highly politically and socially complex institutions. Efficiency is often not the only or even the top priority.

POSSIBILITIES FOR POLITICAL REFORM

What are the chances for political reform in China? Importantly, in my 2,000 plus pages of field notes, there is little evidence of political reform. Opinions are almost singular: The Party is immovable. It remains aloof and in control, almost a separate social system. Nonetheless, the data can generate some insights into the prospects for political reform.

A Chinese banker said the state is stable. There will be no revolt from below. If change comes, she said, it will come from above, from the private sector, or from a new generation. There can be no revolt from below because the government is too strong. The apparatus of control is overwhelming.

A Taiwanese journalist living in Hong Kong noted that the Communist Party was open to new ideas. They have a willingness to look at different ideas. The younger generations are much more open than the older generations and may bring change. They are less tied to the Communist Party. Still if there was an election today the Communist Party would win because their policies are working, she said. They have "great" policies. They have given the population economic freedom.

A Chinese journalist working for a private online magazine did not see the same level of openness. All is negotiable he said *if* four conditions are met. The four conditions: The Communist Party is the only political party, maintains control of the military, maintains a monopoly on propaganda, and maintains a robust SOE sector. In other words, if there is any political reform it must take place on the margins. There can be "no over-

haul, and no soul-searching." Only "tweaking." A Chinese executive added the situation is acceptable. There is no war. The country is "pretty OK." If the political system is reformed, no one knows if the new one will be better, he said.

A British executive living in China for three decades said the key to political reform is succession. It is a big issue and resulted in a big fight. The role of the Communist Party in China is also a huge issue. People are negative about the short-term, but more hopeful about the long-term. The question is will Xi allow more liberalism after he consolidates power. In any case, the next transition is crucial. China badly needs a new system to select new leadership. Current leaders should not pick their successors, he said. A fight is going on over the structure of the system. Deng set up a collective leadership model; Xi has moved back to one strong leader. It is unclear what values are guiding change. Socialist values are unclear. Confucianism is a "hodgepodge." Different age cohorts have different views, he said.

The Chinese CEO of a European MNC argued the Communist Party is not going to introduce political reform. It must come from the population. The public must acknowledge a need for reform. If you tell kids to exercise because it is good for them, they will not do it, he said. When they get sick then they do something. It is human nature. Governments rarely reform themselves. An American history professor in China for three decades warns, however, that if China experienced something on the magnitude of the 2008 financial crisis in the United States, it would fall apart because the government has no legitimacy. If the population does not force reform, a crisis will eventually bring down the government, he said.

Perhaps more than any other source, some Chinese lay their hopes for political reform on the developing "middle class." At the Confucian Entrepreneur Conference at Peking University, a Chinese entrepreneur argued that moral development comes from economic development. In Taiwan, he said, Buddhists are middle class. The same trend is happening in China. The trend has not reached the lower classes, who still use gods and goddesses to protect them. Many middle-class Chinese, however, believe in Western values and religions, he said.

Most reform, the entrepreneur continued, happens from the bottom up. Since spiritual education is expensive, only the middle class can afford it. More and more the middle classes believe in the rule of law, human rights, and democracy. After a couple of generations, he concluded, education can change culture. In Taipei, 40 percent of the government's budget goes into education and 15 percent into infrastructure, but in Beijing, the most beautiful places are buildings. More investment must be made in people. After 30 years, he said, we will see "modern man" in China.

Others acknowledge the growth of the middle class but do not think it will push for political reform. First, many young people want to join the Communist Party because of the career benefits it provides. These people could be coopted as was discussed above in the case of university promotions. Second, even though the middle class is growing, and will demand more in terms of economic benefits and quality of life improvements, democracy would lead to political disintegration in China, according to a Taiwanese CEO who has worked in China for decades. A Chinese CEO working for a European MNC added the middle class does not want revolution because they have too much to lose. The government will transform society if they grow the middle class, he said.

The key issue whether the middle class will seek political reform is economic growth. The Chinese editor working for a private online magazine said it is an unspoken contract between the Communist Party and the population that the Communist Party will create wealth for the population and the population will not challenge the Communist Party. If the Communist Party cannot deliver economic growth, the middle class will be hurt the most. There are 400 million people in the middle class. They have access to foreign information and are well informed. For now, the "unwritten contract" keeps the middle class from agitating for political reform. No one knows what happens if economic growth weakens significantly, he said.

Finally, quite a few Chinese who are in the so-called "middle class" question the validity of the notion. It is common to hear married couples in their 30s who own an apartment, car, and who vacation abroad say they are buckling under the weight of their mortgage. They say neither of them have particularly high salaries and most of their wealth is in their apartment which they cannot sell because they "have to live somewhere." They cannot afford the costs of a second child because their cash flow is tight and their savings small. The Western idea of the "middle class" simply does not apply to them, they say.

Others argue that the term "middle class" refers only to economic condition, having little to do with political motivation. A Chinese law professor said his friends in the "middle class" do not care about politics. On the contrary, the people who struggle for rights are not wealthy. Often they are journalists and human rights lawyers. The "middle class," he says, does not want to reform the country. They have good jobs and wealth and do not want change. They have money to access education, go abroad, and send their child to international schools, but this does not mean they are willing to "push the line," he said.

Discussion

What are the chances for political reform? It is hard to see political reform emerging from inside the Communist Party because of their ori-

gin as a Leninist party-state, their dictatorial control over seventy years, their continuous development of a massive police apparatus, their current tightening of political control, and their continuous proclamations that they and they alone must control China. The historical record as well provides little evidence for dictators giving up power.

Their openness to change and adaptability is impressive but stays within the gambit of their own survival and dominance.¹⁰ It is part of maintaining their monopoly on power. It is important to note that battles rage inside the Party for control over succession and policy. This is indeed key, but for the most part seems to be an internal matter about who controls the Party and the massive system of status and spoils going to the winner. There is evidence that there are groups that think a more democratic system is inevitable and/or even a good thing, but there is no clear sign that a powerful faction holds this view. On the contrary, recent evidence suggests currents are going swiftly in the other direction. Surprises are indeed possible but there is no evidence at this point to expect a surprise or to think it likely. One can only say surprises are possible, especially in such a dark system.

The darkness of the political system is one of its defining features. The British executive, who has lived in China since the 1980s and has extensive contacts with the government, said he has no idea what values or standards the government would use should they decide to reform. He says the meaning of Confucianism is very broad and socialism has been stretched in so many different directions it is hard to know what it means. There are many factions within the government with many different values and interests, but since these factions operate within an insular and opaque social system, it is nearly impossible to know how they interact and how they make decisions. Indeed, most often it is difficult to know the boundaries between the factions. Who is in and who is out? One senses there is considerable ambiguity even inside the government itself. Without a second party, social relations are more secretive not less because society, excluded from power, becomes the primary threat.

From the societal perspective, there are two possible sources of pressure for reform, broad society-wide dissatisfaction as we see today in Iran or Brazil or from the "middle class." The "middle class" can mean many things or many different groups of people. One group that could push for change is the private business elite. This would require some significant changes in the political situation, because there is no evidence in my data or the literature that a group like this is pushing for change or would have any chance of success.

This leaves the "middle class" broadly speaking. Chinese define the "middle class" economically as a married couple with a minimal combined income of \$50,000 and ownership of at least one apartment. The literature defines the "middle class" as 400 million people that is growing rapidly.¹¹ As mentioned earlier, some of the political science literature

posits the middle class as the primary social carrier of democratic values. As they become wealthier and more knowledgeable of domestic and foreign social conditions, they will want more say in their governance.

There are many reasons that the middle class in China will not seek participation in their governance at least in the medium term. The Communist Party for over four decades has provided economic growth and for the most part social stability (at least compared to the previous 150 years). At first, this was picking low hanging fruit because Mao had left the country impoverished, but the continued growth has made China an economic powerhouse. As long as this continues and as long as the middle class views the lower classes as a threat, it will have little incentive to push for government reforms. The key question is what will the middle class do when the economy slumps, which eventually it must? How much patience will they have?

There are other reasons the middle class will not push for government reform. Many in the middle class do not find democracy attractive. They are probably more afraid of the lower classes than of the government. If they push to make significant changes in government, they do not know, as the Chinese executive points out, what the outcome will be. The new government could be worse. The concept might be good; the final reality not so much. They are surely aware their lives have improved greatly under the current government and they have a lot to lose.

Other reasons include that a sizable part of the middle class works for the government and/or belongs to the Communist Party.¹² For the most part, young people are still joining the Party. If they press for reforms, their careers would be in jeopardy. Furthermore, if the middle class did push for reform, the government would push back. It would be risky to confront the government. Street protests would likely lead to arrests, injuries, and deaths. What would it take before middle-class citizens would be willing to take these risks?

Apparently too much because many in the middle class have already made plans to move abroad if the domestic situation becomes unfavorable. These are individuals with a net worth over one million RMB. The fact that they prefer flight before fight means they have little to gain from fighting. The decision is economic and practical, not political and ideal. The mindset in China is primarily economic. This is consistent with a long history. Most revolts in Chinese history have been peasant revolts motivated by impoverishment.¹³ The idea that the middle class will lead political change might be a Western projection.

Another possibility is a "natural" evolution toward reform that does not require the risks of protest. The entrepreneur argues that individual wealth naturally leads to moral development. Once wealth spreads more broadly in China, the population will become more "spiritual." China will then be ready, in thirty years, to follow Taiwan towards a democratic political system and Western cultural values such as human rights. In-

deed, this development might have elective affinities with the education abroad movement and the Internet generation movement, to produce a convergence with Western values.

There are, however, some problems with this vision. It is a vision where everything turns on economics. Wealth will create education and education will create morality. Nazi Germany had a high level of education. Education does not guarantee morality. Russia has a higher level of education than China but has a higher level of corruption and has moved away from democracy to dictatorship. India and Brazil have democracies but probably higher levels of corruption than China.

Taiwan is indeed an attractive case of a democratic political system with low levels of corruption, but there are many moving parts in these developments, including, though not mentioned by the entrepreneur, the rule of law and crucially a supportive political leadership. We must consider the size of the country. When will China be a broadly educated middle-class country? Certainly not in 30 years. There are other moving parts too. International relations are very important. Taiwan was dependent on democratic United States. It might have democratized to move closer to the United States as it lost status in the face of a rising (and threatening) China. China's situation is very different. It is thus very difficult to see a path to significant reform in China. This is not to say it will not happen. It is to say it is not obvious and from what we know now unlikely. The entrepreneur uses dichotomies—China is backward and the West is “modern” and China is poor and immoral and the West is rich and moral—that reflect a society obsessed with wealth.

EMIGRATION

A major consideration when evaluating prospects for political change driven by the middle class is the high level of emigration among families who have the wherewithal to do so. There are many reasons wealthy families leave China and they do so in different ways. Importantly, emigration is not a steady flow, but rises and falls. An American journalist said that after the Tiananmen Square massacre emigration rose from 1991 to 2002, but after China's entry into the WTO in 2001, emigration declined. It remained at lower levels for a decade because of the Western financial crisis in 2008. It picked up again in the last few years of the Hu presidency and continued to rise after Xi took office in the fall of 2012. People with money are leaving, he said.

One reason, wealthy Chinese families leave China is that it is easy. The United States, for example, invites foreigners to apply for a green card if they can invest \$500,000 in the United States, reports a Taiwanese executive who has homes in the United States and Hong Kong. The \$500,000 is now \$800,000 for a suburban residence and \$1,300,000 for a

city residence. He says it is not a lot of money. All nations are inviting if you bring the right dollar amount, he said. For the Chinese, the green card is an "insurance policy" or a form of "risk management."

There are two primary reasons wealthy Chinese emigrate or secure the capacity to emigrate. According to a wealth management executive in Hong Kong the number one concern is safety of assets. Some of the money, she says, is clean, some not. According to a Chinese journalist, wealthy Chinese worry the government can confiscate their wealth. Anyone, he says, can be the victim of a political purge. The Taiwanese executive adds, not long ago there was a lot of upheaval in China. The wealthy may not have an expectation of something imminent, but if they have lived through the Cultural Revolution, a crackdown is in the back of their mind. The Chinese people inherently think about risk management, he said.

An important consideration in risk management is China does not have the rule of law. People seek fairness, according to the wealth management executive. In the West, there are no problems in this regard, but in China, as in Russia and other countries where the rule of law does not exist, top officials put money in their wife's name and send her abroad, she said.

The second primary reason Chinese emigrate is for their children. A Singaporean venture capitalist living in China said entrepreneurs are moving out of China. It is a normal cycle. They need a break after spending 20 years building a company. They want to see the world, spend money on their family, and get education for their children. Will they come back? We do not know, she says. They go to Singapore for their children's education and because English is the primary language. Interviewees in Hong Kong also report a large number of successful mainland businesspeople moving there.

The Chinese journalist said the middle class is losing confidence in the Communist Party. They are sending their kids to live in the United Kingdom, Australia, New Zealand, and the United States. An American professor living in China for three decades said the Chinese people want to live in the United States more than anywhere; Canada and Australia are second. They want opportunity and freedom, but especially they want to give their children better lives and better education. The wealth management executive adds Chinese investment bankers come to Hong Kong for their family and for better air, food, and water. On the mainland, they add chemicals to food, she said.

The Chinese editor working for a state-run newspaper said it is understandable successful people are leaving. He acknowledged all the problems. He said the cause is development. In time, these problems will improve. In any case, most people come back to China to do business. It happened previously after 1989 because of a "scary" political situation, but people come back. As long as China has a strong government, deter-

mined to improve the situation and carry on with reform, it will improve gradually, he said.

It is true successful Chinese struggle with the decision whether to leave and to what degree. A wealthy Chinese executive in his mid-40s said he is near retirement. He has two young children with illnesses aggravated by the severe air pollution in Beijing. He will wait three to four years to see what unfolds in China. No one, he says, knows what the top leadership will do. If "things get bad," he will move his family to Europe or the United States. In his case, despite serious medical reasons to leave, his wife does not want to separate from her parents and they do not feel at home anywhere but China. There is a joke Chinese tell: The United States has very clean water, very big mountains, very good views, and is very boring.

There is another problem Chinese face when considering emigration: They make their money in China. Business executives whose contacts and skills are profitable inside China usually find these contacts and skills are not transferable abroad. This is another reason why it is very common for the wife and children to move abroad, while the husband remains to continue moneymaking opportunities.

Interestingly, Chinese executives transfer wealth into their spouse's name and send her/him abroad to move their wealth to a rule of law country, but it might be the weak rule of law in China that helped the executive create the wealth in the first place. Having their wealth and family abroad will leave the executive less vulnerable to the lack of legal protection inside China, while still allowing him/her to benefit from the same weak legal system. Large corporations with their widespread operations, significant investments in identifiable fixed assets, and long-term plans may want the rule of law, but this is not necessarily so for entrepreneurs who make their money through government connections.

One might think Chinese society would lose out with its successful and wealthy classes emigrating, but as we just saw, some Chinese who moved abroad continue to participate in the Chinese economy. In terms of political reform, the Communist Party might find it advantageous for unhappy citizens to leave China. Emigration is a means for the system "to let off steam," according to the American professor. China is losing a talented and wealthy person, but who is unhappy and who might organize against them. As for the loss of talent, the wealth management executive said there are many ambitious people in China who soon replace the emigres. Competition is "huge."

Discussion

Both wealthy officials and businesspeople worry about safeguarding their wealth in China. History teaches them social chaos and/or government predation are always possibilities. Indeed, with China's "pressure

cooker" society, it does not take a great imagination to realize chaos is a real possibility. It is true the government has a strong repressive system, but it is also true that the government's legitimacy rests on continued economic growth. When the growth ends, social stability will be uncertain. It is only logical to have a Plan B in this situation. The wealthy have much to lose. Emigration and investment abroad, mostly in real estate, is the Plan B of the wealthy classes.

It is not just past chaos and present pressures that are of concern. Perhaps even more threatening is government instability. At any point, shifting battles between factions or shifting policies could put one in the crosshairs. No one anticipated the massive anti-corruption campaign initiated by President Xi, for example. Since corruption is widespread, both successful officials and businesspeople are always vulnerable. Many, perhaps most, made some part of their wealth illegally, so they can lose it for the same reason. It is impossible to predict the shifts in power in the all-too-human struggle for political dominance and the resulting redistribution of punishments and rewards, so it is best to stay nimble with an ear to the ground; and to have one's exit strategy ready to implement. This often means spouse and children are already abroad along with much of one's wealth.

The other reasons to emigrate—pollution, food safety, education, and so forth—are real too. Their causes, as the Chinese editor said, are "development," or more exactly, by the specific path of development the Chinese state has taken. Nonetheless, further development may resolve or lessen some of these problems. As the editor also said, if the problems are resolved some Chinese will return.

"Development" problems though related to are not identical with threats to the population from the political system. These threats—that is, predation, corruption, and the effects on society from power struggles inside the Communist Party—result from the nature of the Communist Party. Despite Xi Jinping's current efforts to reestablish an ideological base, the Party is in a post-ideological phase. Without the rule of law, its drive to maintain power leads to the abuse of power across the entire field of Chinese social life.

When the Mao era's ideologically based political system collapsed after Mao's death, it was replaced with a system that used political power to not only redesign the economic system, but to legally and illegally benefit the new system's designers and those responsible to carry out the new designs. In practice, corruption grew to be inseparable from the system of power. This is why competition for power is also fundamental competition for insider rents.

In Russia, this has been called kleptocracy.¹⁴ When Putin took over in 2000, he moved to gain personal control over the economy, especially state-owned industry and newly "privatized" state assets. Putin and his inner circle run Russia through a combination of violence, control over

economic assets, and image and information manipulation. Though the Chinese system is not identical, it overlaps in the use of government control over key economic assets, law as an instrument of elite power, information control and manipulation, and the use of political connections to generate private wealth.¹⁵

This type of political system is not the result of “development.” It is the result of elite corruption. In both Russia and China, political leadership has used power to gain control over the economy and use this control to maintain and increase their power, as well as make themselves and their allies wealthy. These are self-sustaining political systems based on transforming power into money and money into power.

The issues of pollution and food safety, for example, though not separate from corruption, relate to development in that economic growth can cause pollution. A government must decide what trade-offs they will accept between economic growth and environmental damage at a particular level of economic development. In the early stages of economic development, the bureaucratic and regulatory apparatus lags behind and is unable to regulate the expansion of economic activity. These are issues of development.

Typically, as a country develops, it becomes less willing to accept deadly levels of pollution. Likewise, over time, knowledge, administrative skill, and experience develop and economic regulation becomes more effective. Corruption, on the other hand, more directly relates to political culture. Because of non-corrupt founders, for example, Singapore developed with low levels of corruption even in the early phases of development. Alternatively, Italy maintained relatively high levels of corruption despite reaching relatively high levels of economic development.

Long-term the key issue in determining whether a political system will move beyond using power to control economic wealth and using wealth to increase power is the rule of law. In a rule of law system, law limits and directs the use of power. In a power system, law functions as an instrument of power, but even in a power system, law must regulate social and economic relations at a certain level of societal complexity. This is why President Xi says China will become a rule of law country. Hence, the rule of law creates a profound dilemma and tension for power-based systems like China.

The rule of law implies by its very existence that absolute power is invalid. Yet the Communist Party insists on maintaining a monopoly on power while simultaneously developing the legal system. Without it, they would lose their most effective tool for social regulation and control in a huge and complex society. Because of their insistence on absolute power, the legal system is stunted, constrained, and perverted. For example, Xi’s signature program, the Anti-Corruption Campaign, operates through extralegal means. In other words, Xi’s central legal activity is

itself illegal. Not only are extralegal means used, Xi uses the campaign to remove competitors. This contradiction is at the heart of the Chinese political system. The state can pursue the citizens' welfare, as they say they do, but this commitment must spring from the virtues of the leaders, not the institutions through which they act. Unfortunately, history shows, this inevitably leads to the abuse of power.

The fact that officials and businesspeople make their money in China through corrupt means under a weak rule of law and then ship their wealth abroad to strong rule of law countries to protect it highlights the contradiction. It is an inherently unstable system because it constricts economic opportunity internally and exports capital externally. This is tolerable at very high levels of economic growth, but much less so as growth declines in a maturing economy.

Ultimately, the rule of law is not optional. The exporting of capital to rule of law countries demonstrates this. What if there were no such countries? Then the wealthy inside China would be in constant threat of losing their wealth. Inevitably, this would lead them to seek the rule of law inside China to protect themselves and their wealth. In this sense, the American green card program undermines the rule of law in China.

Currently, the Communist Party is trying to cut the rule of law baby in half, applying it to society but not government. Export of capital and emigration will supply a workaround up to a point. As the economy slows, however, the government is attempting to restrict capital outflows. At some point, capital outflows will weaken the economy or restriction of outflows will make the wealthy uneasy with their increasing risk. Most Chinese assume the latter is inevitable and act to make hay while the sun is shining.

CONCLUSION

There is a contradiction at the heart of the Chinese political system: They are developing a legal system to create social order and resolve social conflict in an increasingly complex society; simultaneously the Communist Party maintains itself above the rule of law and intervenes in legal proceedings according to its own political interests. This contradiction makes substantial political reform impossible. This is the single pivot point upon which China's future political reform rests. Without the development of a commitment to legal principle, to law, as the supreme ordering principle of society, China will remain a dictatorship.

China's dependence on rule of law countries to function in its current configuration, demonstrates the contradictory (unstable) nature of the Chinese political system. The great concentration of power has routinely led to great corruption, but once the money is stolen both officials and businesspeople have a problem: The weak rule of law inside China that

makes corruption possible also leaves corrupt players vulnerable to have their wealth re-stolen by other players. Hence, they must move their wealth to rule of law countries to protect it. In other words, in this phase of the distribution of power between state and society, the lack of the rule of law inside China is dependent on the existence of the rule of law outside China to keep the system stable.

A constant flow of emigration amongst the wealthy is further evidence of both the internal contradiction and the external dependency. The Chinese political system is a typical dictatorship in the sense that the Communist Party has achieved a monopoly on power and will not give it up. Once an ideologically based dictatorship, ideology no longer plays a central role in defining goals or motivating personnel. The Party's goals are now to maintain power and benefit from it financially. The system works by using power to amass private wealth and using private wealth to structure and fortify power. Even Xi Jinping, a life-long politician and current moral crusader, is worth upwards of a billion dollars.

The two great hopes for political reform—generational change and a rapidly expanding middle class—assume the former will bring in new ideas and the latter will make new demands. The standard dictatorial instruments of oppression—an overwhelming police state, control and manipulation of information, control over personnel appointments, cooptation, and so on—oppose these potential agents of change. With the tremendous growth in the economy, cooptation is perhaps the central pillar of “legitimacy” supporting the system at this point. Given the great effort currently going on to build out police power and censorship, it appears the Communist Party leadership has decided the effectiveness of cooptation will decline in the future.

Perhaps the strongest force against bottom-up pressure for political reform is the social psychology of the Chinese people. For thousands of years the political system has been dictatorial, run by a bureaucratic elite above the general population. The communists have intensified these traditions, raising the central Chinese tradition of political control through “education” to levels of indoctrination not seen previously, at times reaching totalitarian levels.

Having backed off Mao's totalitarian frenzy, post-Mao leaders still expend great efforts to monitor and control what information gets to the population. The control of information intertwines with the fear of the government's violent response for acting against their wishes. One can observe a lack of historical knowledge even among the educated population, particularly in sensitive areas. With this history, this carefully groomed social psychology, and the personal cost of protest it is far from clear whether a new generation or expanding middle class will push for political reform from merely reading the Internet or achieving higher levels of wealth. The economic conflicts will need to be severe for this population to rise up against its masters, and even then, the historical

record shows the same type of political organization eventually is reestablished.

NOTES

1. Increasingly, there are Communist Party cells in private organizations. Josh Chin and Lisa Lin, "China's Tech Giants Have a Side Job: Helping Beijing Spy," *The Wall Street Journal*, December 1, 2017.

2. "[A] Juto mechanic Yan Qinsong used an expletive in a WeChat post to question the intelligence of police for doing checks in the rain. Police detained Mr. Yang for five days saying his post to a group with 241 people 'created negative social effects.'" Eva Dou, "Jailed for a Text," *The Wall Street Journal*, December 8, 2017.

3. A detailed analysis estimates that 36 million died of starvation during the Great Leap Forward. Jisheng Yang, *Tombstone: The Great Chinese Famine, 1958–1962* (New York: Farrar, Straus and Giroux, 2012).

4. What William James calls a "fringe of relations." William James, *Principles of Psychology* (New York: Dover Publications, 1950 [1890]).

5. Such it appeared in 2018, but by 2020 the serious decline in China-United States relations could undermine this trend.

6. Most popular Chinese overseas majors: 23 percent business management, 19 percent engineering, 16 percent math/computer science, 8 percent physical/life sciences. Xiao Lu, "What are the Most Popular Majors for International Students in the U.S.?" *World Educational Services Advisor Blog*, July 25, 2019.

7. One aspect of this is to reduce Western influence in Chinese society. Visiting Beijing in May 2018, it was noticeable that many small Western businesses and restaurants had shut down in the last two years.

8. "[B]ecause of the absence of a unifying concept of law and a considerable fragmentation of authority, China does not have a legal system." Stanley B. Lubman, *Bird in a Cage* (Stanford: Stanford University Press, 1999), 317. Many of the core Western legal assumptions are missing in China: rights, judicial interpretation and decision, pluralism, procedural justice, and so on. Introducing Western legal concepts into the Chinese legal context inevitably changes them in ways difficult to foresee.

9. By putting independent directors on SOE boards of director, "personnel remains in the hands of the Party. No matter how many independent directors there are and what oversight they provide, at the end of the day, if all management are appointed by the Party, nothing will change." Richard McGregor, *The Party* (New York: Harper Collins, 2010), 85. Control over appointments is one of the central means by which the Communist Party controls China.

10. Sebastian Heilmann and Elizabeth J. Perry (eds.), *Mao's Invisible Hand* (Cambridge: Harvard University Press, 2011).

11. "China's middle class . . . is expected to expand from 430 million today to 780 million in the mid-2020s." Salvatore Babones, "China's Middle Class Is Pulling Up the Ladder Behind Itself," *foreignpolicy.com*, February, 2018.

12. The number of people working for government run schools, hospitals, and other organizations, SOE, central government, and local governments would easily exceed 100 million. In 2019 there are 92 million Communist Party members, eight million of which work for the government.

13. William T. Rowe, *China's Last Empire* (Cambridge: Harvard University Press, 2009).

14. Karen Dawisha, *Putin's Kleptocracy* (New York: Simon and Schuster, 2014).

15. Hungary and Poland have taken on similar types of political organization. The model offers an answer for the problem of identity in the twenty-first century. Though not strongly ideologically driven, dishonesty is a key element in how the system communicates and justifies itself. Anne Applebaum, *Twilight of Democracy* (New York: Doubleday, 2020).

EIGHT

Mao and the Cultural Revolution as Models

Power and memory so closely relate that power can warp the very arc of time. The Chinese Communist Party (CCP) has put enormous resources into controlling what its “citizens” think and feel. One would think that this would be an impossible task in the age of the Internet, international travel, and globalization; but after a year’s worth of fieldwork in Beijing, it appears to me the CCP, with the help of an ancient tendency toward conformism in Chinese culture, is holding its own. The Party still controls the narrative on twentieth-century history.

This control has come at a cost. The CCP has destroyed or badly limited the population’s capacity to know the truth and think critically about it. Without truth, there can be no freedom or individuality. The population hums along on the thin line of the present, keeping their heads down trying to make as much money as they can before the Communist Party, for one political reason or another, shuts down the free market that has been bustling now for several decades, or so the population fears.

By controlling the narrative that in reality means keeping the Party’s horrible record from consciousness, the Party is using its power position to bend the arc of time, to remove key elements of the past from the present. This involves a nearly infinite amount of information, but more than anything else, it involves the whitewashing of the record of Mao Zedong and particularly, the repression of the “Cultural Revolution” that he started in 1966 and kept alive for a decade.

In this chapter, I will analyze field data on perceptions of Mao and the Cultural Revolution amongst the business and professional classes. I will analyze my informants’ memories of these times, with special attention to what they forget and how this “forgotten” material returns in distorted

form in the current construction of the Chinese political world. Both Mao and the Cultural Revolution have become cultural models that are part of Chinese political culture that inform present day political life and decision. Their distortion has significant political implications.

THE CULTURAL REVOLUTION

The Peasant Connection

In the fall of 2015, I gave a presentation on the second day of the Confucian Entrepreneur Conference at Peking University. Most of the businesspersons and the large audience had left. The venue had shifted from the large hall to a seminar room in the Philosophy Department. In the room around tables set up in a square sat about 40 people, mostly professors and students and a few businesspeople. They were all Chinese except for a German and one other American in addition to myself. The proceedings were mostly in Mandarin. I was wearing a heavy set of headphones to follow along.

My turn came to give a presentation. A senior Chinese professor of business ethics from another university would introduce me. To my surprise, he began by referring to me as a “big nose foreigner,” seemingly questioning what I could possibly know about corruption in China, the focus of my presentation. The remark caught me off guard; I blurted out a loud laugh, exaggerated because of the heavy headphones. When I looked out across the room not a single Chinese had any reaction to the “nose” comment or my outburst.

A couple weeks later the other American, who spoke fluent Mandarin and was a regular visitor to this group, sent me, in response to my query, the following email to explain the meaning of the “big nose” comment.

It is quite an insulting turn of phrase, the late 19th early 20th century Chinese reciprocal to Chink or Slope. But [Professor X] was just trying to be witty in a graceless manner which is why the audience ignored him. He is a village kid who came up through the Cultural Revolution—very smart but of no upper-class polish and pretty much without social graces. He feels out of place with high class academics with excellent degrees . . . and so gets a bit edgy in their presence. That’s why he was kind of lecturing them all afternoon. Not at all sure they appreciated his forcefulness but by the end I sensed they had come to respect his practical wisdom.

Discussion

The Chinese professor of business ethics who introduced me as a “big nose foreigner” was, according to the American, a “graceless . . . village kid who came up through the Cultural Revolution.” The worst of the

Cultural Revolution, 1966 to 1968 was extraordinarily violent. The violence primarily took place between two groups, the children of Communist Party officials and youth from other parts of society. Before and during the Cultural Revolution, the Communist Party made a major effort to put the population into classes, organized according to distance from the sacred communist revolution.¹ Terms such as “capitalist roaders,” “counterrevolutionaries,” “poisonous weeds,” “bourgeois reactionaries,” “anti-rightists,” and so on were common labels affixed to people resulting in tragic effects on their lives.

According to the American, 49 years later these categories were in play at the Confucian Entrepreneur conference. The professor of business ethics was from a lower-class background, raised in a village without the social graces of city life. He openly expressed aggression, very un-Confucian. The other professors were more “polished” with higher status academic degrees. This made the “village kid” uncomfortable, intimidated, and led to his aggression.

The issue of class was and is important in China, as we see played out at the meeting. Who is in and who is out? It matters for face (self-esteem) and connections (opportunity). Strikingly, the communist revolution’s central goal of equality not only did not come to pass it was pursued through and contributed to class division.

As we see at the meeting, the violent social irruption known as the “Cultural Revolution” is not only still alive today but functions as a social model for not only what can happen and how it can happen, but deeper, as a model of social stratification. As China continues its centuries-long transformation from an imperial-agricultural-Confucian society, to what it will become, the Cultural Revolution and its “class” labels and class conflicts, exposes ancient class sensitivities, new class conflicts, and social confusion brought about by the communist revolution.

The School of Hard Knocks

Thus was my first sighting of the Cultural Revolution in China today. It was not my last. Before returning to the present, I will explore my informants’ memories of the Cultural Revolution. Some senior executives born in the 1950s described their childhoods as ones of extreme hardship. The Chinese executive who had moved to the United States decades before but was now back in China looking for business opportunities, said his family had not had enough food during the Cultural Revolution. His parents lost their jobs. They were both high school graduates. Before 1949, high school degrees were rare. Families with graduates meant the families had some money. They were “landlords thus intellectuals.” They became targets during the Anti-Rightist Campaign (1957–1959). His mother, who worked for the Communist Party, ended up in a purge. The executive graduated high school in 1972. He was immediately sent to the

countryside to do hard labor all by hand for three and a half years, and after that to a factory for another two and a half years.

The parents of the CEO of a European multinational corporation (MNC) said his received harsh treatment. They ended up in camps in their hometown. He was 15 years old. He took care of his four younger brothers. He had to drop out of high school for one year because two of his brothers were sick. He had to cook, clean, care for farm animals, and care for his brothers. He said, however, it was a valuable experience. One "can weather a lot of things after that." He expressed appreciation for the "hardship days."

A law professor said he ended up at a farm for "intellectual youth" for eight years. He drove a tractor. He was lucky, he said, he did not have to do all handwork. His feelings about the time are mixed. He was 16 to 24 years old. Later when he went to the United States to study law, what he had learned on the farm about hard work led him to set a record finishing his law studies in one year and ten days, he said.

Most people, however, did not conclude that the Cultural Revolution had a positive influence on their education. Many students saw their schools shuttered. Some who did go to school found their schools caught up in the era's drive for radical equality and experimentation. A Chinese management professor in his fifties recalled in elementary school, students were told to create their own test questions.

These were the lucky ones because they survived. A Chinese doctoral student said that the Cultural Revolution had an impact on 100 million people, 10 percent of which were killed.² The Red Guard came into people's houses, beat them, tortured them, burnt their books, and tortured their wives, he said. During a tour of the ancient Confucian Academy in Beijing, an American tour guide said many intellectuals ended up at the Academy to be "struggled" during this period; many committed suicide.

A Chinese executive MBA student in her mid-30s said she recently met a veteran of the Red Army. He had fought in Korea. During the Cultural Revolution, while still in the army, he was tortured. He was in his mid-40s at that time. The torture had left him in a wheelchair. Now he is in his 90s. Like many survivors, she said, he is not angry. He still has faith in the Communist Party. The student mentioned this as evidence of the Communist Party's support in society.

Discussion

One striking aspect of the data on childhood experiences during the Cultural Revolution is the separation of families. As can be seen, parents and children often ended up separated. Children received care by relatives or had to care for themselves.

The family is a universal social structure, providing the biological, social, psychological, and material well-being for children. During the

Cultural Revolution, the separation of children from parents was often traumatizing for the children. They went through periods without enough food, clothing, and basic emotional care. When interviewees reflected on this experience, however, none of them mentioned the emotional after-effects of this deprivation. In fact, they said the opposite. They said these experiences made them strong and self-reliant.

It is important that none of the interviewees mentioned the traumatizing affects from the separation of parents from children that went on for years in many cases. By replacing memories of emotional trauma with memories of self-reliance and strength, the interviewees are justifying the political violence they and their families suffered. The removal of personal trauma in individual memory parallels the removal of societal trauma in collective memory. The interviewees have moved on to professional success and the society has moved on to great economic success, but their understanding of the path they took to get there is untrue.

The loss of social history and its parallel the loss of individual cognitive and emotional experience, especially experiences that are emotionally and personally important, means that their influence on the societal (individual) level works “underground,” that is, in invisible (not conscious) ways. Does the loss of experience make the population more obedient, compliant? Does the loss of traumatic experiences involve transferring and hiding the emotional pain in other *recognized* experiences? Clearly, these individuals say it created self-reliance, discipline, and career success. What else has it created?

Another important point in this data is the government’s behavior. The government broke up millions of families and caused enormous suffering for political and ideological reasons. The government sent young people to poor, agricultural areas to educate them about peasant labor. The Chinese communist ideology posited labor, specifically difficult hand labor in the field, as moral training. The peasant mentality and moral character was the ideal that the “sent down” youth were to emulate. It was supposedly moral training to defeat “the bourgeoisie reactionary line,” that is, to remove self-serving, self-interested, opportunistic motivation in the individual. It was to make the truly collective personality.³

One of the many great ironies in this political movement, as we see in the data, is it led to self-reliance and personal success. Another great irony is Mao attacked the “four olds” — old customs, old culture, old habits, and old ideas — yet sent millions of urban youth to the countryside for education where the “four olds” were firmly in place. This suggests that other motives were driving this movement, even if not stated, like getting control of youth who had been whipped into a violent frenzy by Mao. In the end, it was families, individuals, and society as a whole that paid the price for this immoral, incoherent, and violent effort at political brinkmanship/social engineering.

Another cost seen in the data and heard quite commonly in China is the loss of education. A whole generation lost or delayed their education. Education is central to economic and social development. The loss of it damaged the society as whole. The loss shows up in my data in two ways. The great problem China has with corruption in business in particular and the lack of trust in society generally, partially arises from the bitterness, sense of betrayal, and greed of the Cultural Revolution generation. It is common to hear that greed is the result of the deprivations and hardships they suffered and dishonesty a means to recover their losses. Both are great ironies for a movement whose goal was to create the moral person, shorn of his bourgeoisie self-involvement.

The second way the loss of education shows up in my data, related to the first, is in the work ethic. Chinese entrepreneurs claim one of their great competitive advantages in business is they will out work the competition. It has a name: "996." Chinese entrepreneurs work 9:00 a.m. to 9:00 p.m. six days a week. This relates, as was seen in the data, to an intense compulsive profit-seeking drive. Even the law professor bragged he set a record finishing his studies at a top American law school in one year and ten days.

Given the number of tortured and killed, it is impossible to justify the Cultural Revolution in any way. Again, an enormous irony, a movement to create a better society required killing and maiming.⁴ During the Cultural Revolution, it was openly and commonly accepted that the pursuit of communist ideals would require killing or being killed. The ideal required a great leveling. The making of collective man/woman. The pursuit of extreme equality.⁵ The dissolution of self. The merger of self with the collective ideal. It was *this* ideal that required killing and even getting killed. It was an attack on personal relationships, on identity, on anything that made the person an individual. Communism, the classless society, and radical equality sought to destroy particularity, the particular commitments of the individual and replace them with one totalizing abstraction, the ideal collective. Ironically, Mao remained superior, almost god-like, yet personifying the collective ideal to the youth carrying out his directives.⁶

It is of the greatest importance that in the data, 50 years later, people say they harbor no ill feelings towards the Communist Party, praise the "sent down" period for its positive effects, and do not mention the initial killing phase. This point, leaving the killing phase out of the recollections of the Cultural Revolution, is of significant importance. The memories are of suffering and overcoming, not of violating and suffering. Yet for two years, all over China, millions of people participated in fighting, humiliating, torturing, and killing. Its removal from their recollections could be from trauma, guilt, or shame. It shows how little victims of the Cultural Revolution face what they lived through. It is the elephant in the room of Chinese culture. It is a no-go zone that will create problems for Chinese

cultural development since integration is impossible. The avoidance of a violent past will be a force towards repetition, because traumatizing experience denied is such experience looking for expression.

Taking Down Authority

In my 2007 Shanghai data, a professor and a CEO said that their parents had been teachers. The professor said her mother had been beaten to death; the CEO said her father had been beaten to death and her mother severely injured. In the 2015–2016 Beijing data, a Chinese manager said that her grandparents were peasants and were “quite respected” during the Cultural Revolution. In fact, they had many daughters who married into landlord families thus “improving their standing.” Another manager mentioned farmers and soldiers went unharmed. Only “rich teachers” were harmed. While passing a lake during a tour of the Peking University campus a student said many intellectuals and professors were drowned in the lake during the Cultural Revolution. Another Peking University student added many teachers were mistreated because they were often rich or their families had been rich.

Interestingly, several people mentioned the violence had been worse in the north than the south. A Chinese journalist said there are more Christians in north China than south China today because in south China ancestor rooms and shrines did not receive the same level of destruction. Since during the Cultural Revolution communist zealots attacked religious practice in the North, afterward Christianity developed to fill the void. They attacked the Confucian Temple in Beijing too, badly damaging it, according to the tour guide. The tour guide added communists burnt down many monasteries in Tibet too.

Discussion

For 2,000 years scholar-officials, the Mandarin, ran the country. Even today, teachers are respected in China. Why did they come under murderous attack from the communists, particularly during the Cultural Revolution? In the data, education is associated with wealth. Historically scholar-officials not only governed the country, they were also the wealthiest people in it. Private wealth has always been vulnerable to government expropriation in China. Government officials were the top social class, commanding the most status, power, and wealth. Wealthy families, in agriculture or business, mostly the gentry, funded their smartest children for years of study to prepare for the examinations that determined entry into the class of officials, or at least to higher status in society. Education was highly esteemed in China, for political, social, economic, and religious reasons.

Importantly, the first class the communists killed or organized the killing of by the lower classes, was the despised "landlords." Two million landlords were killed by the early 1950s, a year or two after the communists took power in 1949.⁷ Their families were terrorized, their land redistributed among the peasants. The peasants had been crucial supporters of the communists during their war with the Kuomintang. The landlords were seen as oppressors and exploiters of the peasants. By the end of the campaign against the landlords the landlords were liquidated as a social class. The peasants not only gained their land, they were complicit in their slaughter.

The landlords were a type of "middle class," historically between the peasants and the gentry.⁸ By 1949, the gentry had been degraded or fled China after decades of civil war, leaving the landlords between the peasants and the Communist Party. They were resented because the source of their wealth was rent payments from the peasants. Mao's father was from the middle class.⁹ The extermination of the landlords as a class in the early 1950s and the attacks on intellectuals throughout the Mao-era, then, were attacks on the ancient class system. It was an attack on private property, wealth, and education as the basis for social stratification and power.

The murderous campaigns that took place during the entire Mao era are an attempt to destroy an ancient traditional society in an effort to replace it with communism. Throughout the various campaigns, the enemy was always someone from the past, a "reactionary," a "capitalist," a "bourgeois." They were always someone who allegedly wanted to return to the past system of exploitation. The communists had to resist them, even kill them. During the Cultural Revolution, this ideational system took on totalitarian dimensions. A world of ideology replaced the social world. Terror made this possible. Terror is the essence of totalitarianism, the only way to achieve total control, requiring the destruction of the human mind and its replacement with the "right" ideas.

Teachers were not only seen as essential functionaries in the old oppressive system, their intellectual training was a threat to mind control and thus had to be removed. The Cultural Revolution started at Peking University and spread across the entire educational system, including middle schools and even elementary schools. A newly created part of the Communist Party, the Central Cultural Revolution Group, directly under Mao, encouraged students to take over their schools and bring to account impure selfish teachers and administrators, that is, all those in positions of authority. They were put on public trials, humiliated, tortured, and in many cases killed. This movement quickly spread to government and state-owned industry. The Communist Party and government were basically destroyed or made inoperative. The newly created governing structures were unstable. All this took place under the direct supervision of Mao. It was not possible to stabilize the new structures because different

revolutionary groups fought for control, creating an atmosphere of civil war. Eventually Mao called in the army and they established control.

As can be seen in the data, religion too came under attack. The communists needed to destroy religion because it was one of the "four olds." They attacked Confucianism, Taoism, Buddhism, and ancestor worship in an effort to replace them with Maoism. The Communist Party organized the reciting, quoting, and memorizing of Mao's *Little Red Book* by the masses to create one mind. The attack on teachers, administrators, and officials was just the center of an almost total attack on all forms of cultural and organizational authority. Religion had to go to institute a new era of "pure equality" where there were no alternative forms of authority, only "the people." This is what Mao was selling and this is what young people all over China were buying, in their violent frenzy to take down authority and replace it with "people's communes" and "people's committees," which they hoped to lead.¹⁰

The totalitarian nature of the Cultural Revolution, the pattern of killing, torture, and humiliation, in a word terror, and the ideology of extreme equality were part of the pathological social movement. In the name of the good society some people must be killed because they are obstacles, others must die in the effort. Diaries and publications of the time make this clear.¹¹ For a pure future, killing must take place in the present. The absolute intolerance motivating the totalitarian killing machine is an effort to reestablish identity in a period of identity loss, in a period of mental disintegration. What under normal conditions would be considered insane, under conditions of cultural disorder becomes not only justifiable, they become required, indeed more worthy than life itself.

The Cultural Revolution with its extralegal campaign structure, ideal motivations, unleashed class hatreds, and violence stands as a foundational model of political organization under the communists. Its murderous record and disastrous consequences have led the Communist Party to keep it from public discourse for five decades, turning it into a repressed memory likely to return to public life in distorted and displaced forms. Indeed, one hears murmurs and worries today that the current extralegal Anti-Corruption Campaign, cult of personality, and increased censorship and propaganda show signs of repeating the Cultural Revolution patterns.

The problem lies in the very nature of the Communist Party. As long as it insists on a monopoly on power, dominance and control of all institutional life, and status above the rule of law its legitimacy will always be shallow. In other words, it ultimately rules by violence. With any threat to its power, more precisely to the power of its leaders, either externally from society or internally from another faction (the problem Mao faced), the Cultural Revolution campaign model is likely to be seen again in the

resulting battle for dominance. The cost to society could be, as it was in the Cultural Revolution, cataclysmic.¹²

Building Belief

Generally, the interviewees thought the Cultural Revolution destroyed Chinese morals. A Chinese professor of finance in his mid-50s, however, had a different take.

I don't agree the Cultural Revolution caused the decline of ethics. The Communist Party tried to build a new ethical system, ruin the old and build a new one. They tried to imagine a good society. In China we don't have real left and right, only extreme left and extreme right. The 1960s were extreme left. Now it's extreme right. But it's the exact same idea. In the 1960s they told us before 1949 the whole picture was black. But now again they are saying everything is black. It's the same people! In reality, not all black before 1949. The 1960s not all black either. The Carpenters [an American music group] have a song, "Yesterday Once More." Many Chinese don't think black *and* white, or black *or* white. In the 1960s people followed Confucian ethics. Mao read a lot of writers from ancient China. A high portion of Mao's ideas come from Confucius.

A Chinese CEO of a European MNC in her mid-40s had a different view. She said Chinese culture has merit, but the good side has been destroyed three times. First, in 1949 the Communist Party "dumped Chinese culture as garbage." Second, the Cultural Revolution destroyed culture. Third, Deng missed the opportunity to rebuild culture during the reform and opening because he only focused on wealth creation. This did not happen in Taiwan. They held close to Chinese culture. The quality of people in China and Taiwan are similar broadly speaking, she said.

Even a Communist Party official pointed out the Cultural Revolution did more damage than the Great Leap Forward because it undermined the moral fabric of society, that is, the capacity of people to trust each other, even family members. People grew up without faith and without knowledge, added a Chinese manager.

Discussion

The professor of finance said China only has extreme politics; it does not matter whether it is on the left or right. President Hu Jintao famously told the cadres "don't mess around," meaning do not disturb the lives of the people. Why is China prone to extreme politics? One reason is the monopoly on power. There are no checks and balances. The Communist Party can be extreme merely because there is little to stop it.

Another reason China is prone to extreme politics is the ideological history of the Communist Party. A party based on messianic values, the

future classless society where equality is all and the state withers away, can for a variety of reasons, decide to implement the ideal now.

A third reason Chinese politics is prone to extremes is extreme behavior leads to more extreme behavior if nothing is learned from the first round. After making extreme mistakes, the Communist Party tends to cover up the record increasing the chance that they will repeat it. Traumatic experience is too life altering to just disappear. One way or another its forced silence is undone; it returns to social life, becomes an influence in social life, though often in distorted and displaced forms.

A fourth reason is the damage done to the inherited social structure and moral culture from repeated attacks seeking its destruction. Extreme politics leads to more extreme politics because what it achieves is a destruction of moral order, which eventually results in an everything-is-possible mentality. It is easier to destroy moral order than to build it. New institutions take time to develop. Tradition is not optional for human social life. When the regulating, ordering, and calming effects of tradition suddenly decline, aggression can take on extreme forms, such as the behavior seen during the Cultural Revolution. Reform, progress, and innovation can be good; just as unrestrained passions and exaggerated self-confidence can be bad.

A fifth reason China is prone to political extremism is basic assumptions in Confucianism. Confucianism assumes man is good or education can make him so. Like the innovation/tradition dichotomy, the tradition/education dichotomy can be a great strength when balanced, but when one side, in this case education, takes on exaggerated proportions, it can lead to extremes. The communists believed they could destroy custom and create the "new man." What they "created" was aggression.

The finance professor's comments show a sixth reason China is prone to political extremism. He says the Chinese people do not think in terms of black *and* white, or black *or* white. They do not think of alternatives. They are prone to seek one truth. It is irrelevant whether it is from the left or right. Because tradition was so dominant in Chinese society for so long, once it was undermined, they were vulnerable to seek its replacement in another dominating belief system.

A seventh reason the Chinese are vulnerable to extremism also relates to Confucianism, the centrality of hierarchy. In everyday life, many Chinese will enter a situation with a feeling of responsibility to key people. They will not focus on ideology or rational argument. If their leader takes them in a radical direction, they will follow. The father figure is powerful in Chinese culture. Once Mao achieved emperor status, the stage was set for extremes. Leaders matter and in China leaders matter a lot.

The CEO said Deng missed an opportunity to rebuild the culture after he took over the Communist Party. This may not have been an oversight. He may have decided he did not have the political capital to reopen the cultural wounds and reintroduce markets at the same time. The latter met

plenty of resistance on their own. Nonetheless, ignoring the wounds came at a cost the Communist Party is always willing to pay to avoid paying a higher cost: Taking responsibility for their role in ripping the country apart. For the CEO the civility of modern-day Taiwan is the correct model for China. China will need to find an alternative to its iron fist/repression prone party-state to move in this direction.

Bad Results

Why are there so many rich leaders today, a Chinese executive asks, yes they steal money, he answers. If you look at their age, he continues, they were born in the 1950s and early 1960s. They have two special characteristics. They have not fought wars; their parents did. They do not have a “tough mind.” They do not deserve their benefits. They survived the Cultural Revolution. They are not educated. If you survived the Cultural Revolution, you did something horrible. They are not ethical. It is a generation without hope, he said. In fact, Xi is using their lack of ethics as an excuse to centralize power. It is making him popular. This generation lived through “complicated” years. They have a “special mood.” The next generation will go beyond this legacy, the executive expected.

For now, in the words of a Chinese professor of political science, Xi’s government appears to be on a “slow burn” to return to the Cultural Revolution. Perhaps this is not surprising given the leadership’s background. They all lived through the Cultural Revolution. In other words, the leadership is exercising power in the same way power was exercised on them.

Discussion

The executive contrasts the founding generation as disciplined with the Cultural Revolution generation as not disciplined, not deserving, not educated, not ethical, guilty of horrible crimes, and without hope. They are currently robbing the country blind. It is a great irony that a generation of young people who followed the call of their leader to attack and take over all of the country’s institutions in the name of the highest ideals—self-sacrifice, truth, and justice—would not only turn out unethical but without hope. How did this happen?

It is not an accident that when Mao decided to implement his Great Proletarian Cultural Revolution, he turned to the youth. Youth are in between the dependency of childhood and the responsibility of adulthood. They are in an important period of identity formation. For this reason, they are searching for ideals. Mao spoke directly to them. He told them to fight and die for communism, for the future of Chinese society. They answered his call by the millions. After two years of violent conflict mostly among different youth groups, Mao called off the fighting and

moved into the second phase of the Cultural Revolution. Youth in the cities were sent to the countryside to perform hard labor for years to learn the true values of socialism from the peasants. For the ones who did not lose their lives, they not only lost their youth, education, ideals, and sense of humor but they were now punished for doing what they had been asked to do by their great leader in the name of the highest ideals.

It is not difficult to see why this generation lost hope and became self-serving uncaring adults. They had been misled, used, and betrayed by the leader who embodied their ideals when they had sacrificed everything for him and the cause. Years of hard labor, deprivation, and what the Russians call "internal exile," was at best confusing and at worst demoralizing and embittering.

For those who took government positions after their return witnessed, only a few years later, not only the decline of politics and silence about the Culture Revolution period, but the reintroduction of the hated capitalism along with the greatest boom in history. Mind spinning though it may have been, their cynicism and loss prepared them well to exploit their public positions for private gain. Trillions of dollars were stolen from public funds. Thousands fled abroad with pockets stuffed.

Yet now the circle turns again in Chinese political history. President Xi, himself a member of the Cultural Revolution generation, whose father suffered during this period, and whose sister has accumulated great wealth from political connections during the boom phase, has launched a massive anti-corruption campaign, punishing many of the Cultural Revolution generation yet again. Xi did this to protect the Party's control on power, clean up government functioning, and remove competitors. This is the last and perhaps his top priority, since without it he could accomplish little even if he managed to remain in office.

The Anti-Corruption Campaign has made Xi very popular. For most people, its value resides more in the punishment of fat cats than improvements in government effectiveness. They practically never mention that Xi carried out the campaign in the extralegal tradition of the Cultural Revolution. The Chinese executive providing this view has little sympathy for the Cultural Revolution generation, which is common in China. The Chinese have an enormous problem with selection bias. While they openly criticize the Cultural Revolution generation for their greed and lack of ethics, they are silent on Mao and the Communist Party that motivated, organized, and directed this generation. Of course, this is how the Communist Party will have it.

The repeated punishment of the Cultural Revolution generation shows a few things about the Communist Party. They do not learn from history or their mistakes when it comes to the use of personal power. Deng tried to put the political elite on a new course, shared power, but they have returned to the strongman model of Mao. The irresistible use of campaigns by a party without opposition, instead of the rule of law,

despite the destruction campaigns have produced in the past, highlights the personal power goals behind the Anti-Corruption Campaign. If Xi truly wanted to fight corruption, it would be more effective in the long-term to institutionalize it in the legal system. If he wants primarily to remove competitors and restructure the government for his own goals, then the campaign model is preferable because it provides him with personal and unchecked power.

The Cultural Revolution generation has ridden a rollercoaster from the heights of idealistic exhilaration as chosen emissaries of the leader/demi-god to years shoveling manure. From the heights of political power and unimaginable wealth to arrest, humiliation, and jail or the constant fear of it. This shows the utter disregard for people's lives at the center of the Chinese political system. After all, the officials are arrested not because they violated the law but because they work in a government that is above the law. Unchecked power led to both systematic corruption and the mother of all anti-corruption campaigns. As under the emperors, under the communists only the top man has much job security. As we follow the broad patterns of experience of the second communist revolution generation, we see the same disregard for the population that runs through Chinese history. Whether it is because of the emperor's divinity or Mao's messianic vision (or political survival), or Xi's leadership for every man (or his cult of personality), there remains a wide gap between political leadership and the public good. While no leader, not even the mightiest emperor (or Mao), could completely ignore the public's interest interminably, the population is organized and goals pursued that trample the individual.

Yet many Chinese love their leaders, as we see with Mao and Xi. The tortured soldier in the wheelchair still believes in the goodness of the Communist Party. Part propaganda, part brainwashing through the education system, part Confucian filial piety, and part Tao make-believe, changing this complex will not only require instituting the rule of law, a balance of power, and a free media but the political culture must evolve so the population has the capacity to carry out more realistic evaluations of their political leaders.¹³ The dying of the Cultural Revolution generation will not by itself change this.

Loss of Trust

A Chinese Malaysian executive in Hong Kong, who had extensive experience with mainland clients, describes the connection between the current business climate and the Cultural Revolution. During the Cultural Revolution, the children could not trust their father or grandmother, she said. The Chinese have a "grab and go" mentality and then they leave China. They have "no compunction to make their fate." No long-term relations. The mainland businessman who wanted to buy her company

repeatedly told her he is very wealthy, but nonetheless was ruthless on price negotiation. He kept saying, "Can I trust you?" In her opinion, he could not trust her because he could not trust anyone. To her trust is a big problem in China. With overseas Chinese, on the contrary, you can do anything with a handshake.

For mainlanders, she continued, the Cultural Revolution "warped their values." They lost personal integrity and the capacity to trust others. In China, one cannot trust the government; one cannot even trust food. No middle-class Chinese will buy milk in China even if it says made in New Zealand. They will not believe it. In China there are "fake eggs, fake rice." The Chinese have been to "hell and back." They cannot trust anyone.

If trust is so bad, I asked, how does China have the fastest growing economy in the world? She responded they still work with each other, but there are no upper middle-class Chinese who do not have a home outside China. The buyer for her business has three homes in Australia and one in Hong Kong. He "wants to make hay while the sun is shining." Generally, the further they are from the Cultural Revolution the less ruthless. She too expects moderation as the next generation rises.

Discussion

It was mentioned above how the Communist Party during the Mao era attacked the Chinese family, the basic building block of all societies, but, according to Weber, having unusually strong bonds in China. Mao sought to close the gap between the individual's attachments to the state by removing all institutions in between. Mao sought to make the new socialist man/woman. His great efforts at collective organization and state ownership, applying military organization and discipline to industry and agriculture, intensified the individual's isolation and dependence on the state.

Beyond the destruction of the family, this movement went some way toward destroying the individual. By intensifying the individual's relation with the state, close, personal, intimate relationships came under pressure, just what allows the individual to develop a private life and particular attachments. By collapsing the distance between the individual and the state, general, abstract knowledge became paramount in the individual's experience. In a way, it is a form of insanity because abstract knowledge and ideas take the place of human relationships. The essential aspect of humanity, identification with and feelings for other people, is downgraded and replaced with ideas shorn of their social and personal particularity.

At the same time, Mao promoted a cult of personality. In other words, the relationship to Mao replaced particular relationships with family and friends. The intensification of the state-individual relationship and the

cult of personality were essential strategies in achieving totalitarian control. Mao and his core group in the Communist Party were the source of the insanity that, through organization and ideology, destroyed Chinese society as a human experience and replaced it with an instrumental, collective machine under the control of The Leader. The goals were impossible, but the destruction was not.

By destroying interpersonal feelings and moral responsibilities, the communists destroyed human relationships. The Mao regime minimized human relationships by transferring feelings and responsibilities to ideas and to Mao. The direct consequences of this can be seen in the barbarism that was carried out during the Cultural Revolution and the breakdown of trust between people that still exists today.

In China, however, there *is* trust. The Malaysian executive exaggerates the lack of it. It exists in *guanxi* networks. She is right that outside these personalized networks trust is scarce. *Guanxi* networks even continued to operate during the Cultural Revolution. Despite the collective fantasies and human destruction that Mao inflicted on the Chinese people, human relationships still survived. Interpersonal trust was diminished but not extinguished. China was not Cambodia; it was too big to turn into a concentration camp. We know from the Nazi and Bolshevik experiments human nature can be destroyed, but not changed. Mao's socialist man/woman dedicated totally to the collectivity is impossible. Human nature requires interpersonal attachment and feeling.

The Malaysian executive is taken aback by the mainland clients who cannot trust, who show no sense of responsibility, who have no concern for moral life. For her, they are pure instruments of self-interest. Mao's collective man/woman has become its opposite, a social predator. The destruction of the personal to make the collective has left in its failure the isolated individual, embittered, materialistic, emotionally and morally limited.

The Malaysian executive contrasts mainland businesspeople with overseas Chinese businesspeople who did not suffer the Cultural Revolution. In the latter group, according to her, there are high levels of reliability and responsibility. This supports the view that the moral deficit on the mainland is the result of recent mainland history.

Despite China's booming economy and great wealth, it still sits on a damaged culture, carrying forward the human, social, and cultural consequences of the Cultural Revolution specifically and the Mao era generally. The Malaysian executive and others say the cataclysmic effects of the Cultural Revolution will have less impact on future generations of Chinese. The more important question is: What will be the long-term consequences?¹⁴ They depend significantly on what actions the current political regime takes. If they continue to repress the past and use Cultural Revolution political tactics, then the cultural damage will be carried forward. There is much to be concerned about when one considers the prop-

aganda, indoctrination, institutionalized forgetting, repression, extralegal campaigns, cult of personality, funneling of life to wealth creation and materialism, and so on.

For now, wealthy Chinese are buying second homes all over the world. Their fear of government predation and vulnerability from their own predation requires an escape pad in a non-predatory place. This in itself suggests movement towards the rule of law is slow in arriving. The “new” generations cannot help but observe this situation and may conclude loose behavior at home and investment abroad is not a bad way to go. After all, much of the foreign properties are already in their name.

Return of the Repressed

My data is quite conclusive that the people who experienced the Cultural Revolution as children and young adults seldom share these experiences with their children and grandchildren later in life. This is an important reason why the history of the Communist Party in China is not well known in China. My Chinese students do not know much about the Cultural Revolution; they know even less about the Great Leap Forward, let alone the punishment campaigns that left millions dead or incarcerated. I have wondered how they could know. Without any preparation, or worse, having lived through years of historical repression, how does one process the Communist Party’s responsibility for, indeed was the primary cause of, the deaths of 30 million Chinese by starvation. They would have only the faintest background by which to make sense of this information.

The generation that lived through these tumultuous years directly, faces different problems. The Cultural Revolution spread violence, torture, murder, anxiety, confusion, and betrayal all over China. This generation carried out and experienced this violence. The Chinese executive who had experienced the Cultural Revolution himself and later moved to the United States described the Cultural Revolution generation as a “don’t want chaos” generation. They care about daily life. From guilt from what they did, trauma from what they experienced, or silence enforced by the Communist Party, or all of the above, they forget, ignore, or repress the past. For one reason or another, the Cultural Revolution generation use a variety of psychological mechanisms to pretend past is past.

This suggests that Cultural Revolution practices could return to Chinese politics for a second reason in addition to the fact that today’s Communist Party leaders had learned how to exercise power during the Cultural Revolution, so it is only natural that they would return to this experience once they had gained power themselves. The second reason has to do with the repression of traumatic experiences. Traumatic experience is very painful. One option the individual has to manage the pain is to repress (deny) the experience. The mind uses effort and energy to reduce

the pain by keeping them away from consciousness. Over time or because of changing circumstances these horrors have a tendency to resurface, indirectly, in disguised form. A victim can become an aggressor; an aggressor can become a do-gooder.

President Xi is a product of the Cultural Revolution, according to a Chinese law professor. Xi suffered during this period. His father, one of the founders of the communist revolution, was the victim of a purge. It was a turbulent time for the family. The family suffered. Now under President Xi language and ways of thinking from the Cultural Revolution have reentered political discourse, the professor said.

Working groups, he continued, were the central means of organizational control during the Cultural Revolution. Xi has created numerous working groups and they all report to Xi. The Communist Party is supposed to have collective responsibility, but now one person makes all decisions. Deng Xiaoping, who assumed power after Mao, did not achieve this level of dominance. The environment today is dramatically different. There is now an "idolation campaign"; it comes from the top. All these behaviors are a return to Cultural Revolution patterns, he said.

A Singapore Chinese diplomat commented on the Communist Party's relationship to its past. The Cultural Revolution is an aberration in Chinese history. There is intense shame from the Cultural Revolution, from what happened to the country. We saw there could be an "Asian Hitler." The Communist Party cannot renounce its roots, yet it cannot deny their negative impact. They still use Mao's photo, but they got rid of Bo Xilai. Bo was very dangerous for the Communist Party. They are terrified of another Mao type, one who could charm the masses and bring China to revolution, she said.

Discussion

Both the Cultural Revolution generation and the post-Cultural Revolution generations live without a past, or at least a full and open one. This is one reason materialism is such the rage in addition to past deprivation, political approval, and love of wealth. The Chinese live on the thin line of the present, not free to look back or confident to look forward. In a booming economy, consumption fits this experience of time. Consumption offers instant enjoyment; it does not require participation from the past or confidence in the future. In this context, consumption is a form of denial.

It is true that the Chinese have one of the world's highest savings rates. This is because of a weak social safety net and fear of social instability. This of course curbs consumption. It does not lead to confidence in the future; it protects against it.

More importantly, the thin line of the present, weakly anchored in the recent past and unsure of the future, gives China one of its central characteristics, fluidity. Without confidence in the past or the future, not only

does social life feel fluid, it in fact becomes so. Since stable beliefs over time are missing and present conditions might at any time change, people try “to make hay while the sun is shining.” Chinese industriousness and work ethic are partly the result of taking advantage of present opportunities that might not last. Chinese docility receives support from the same source; an acceptance that the world is not under one’s control.

Since opportunities might soon vanish, the individual must seize them no matter what or where they are. There certainly is specialization and a division of labor in China, but it is common to see businesses morphing into other industries, professionals owning businesses outside their professional field, and government officials running business both inside and outside their area of political responsibility. Often businesses are short-lived, temporary structures taking advantage of momentary opportunities. The Chinese business environment is hectic, fluid, and continuously transforming.

Living on the thin line of the present also makes Chinese society unstable. Without shared moral values consistent and stable over time, anything can happen at any time and does. With a limited system of law and damaged system of moral tradition, what might have been constrained or repressed can break out at any time in China. The Cultural Revolution is Exhibit A writ large, but the unending mini-disasters that are common in China, for example, enormous explosions at factories, poisoned rivers and lakes, or unsafe food result from a pursuit of immediate gain without any regard for the effects on others. This can be explained by a lack of development or regulatory oversight or the unwashed nature of the rural population, but the thin line of the present—that is, the lack of continuous civil traditions—is perhaps the central cause.

The communists, in their effort to destroy the past to make the future, had no idea what they were doing.¹⁵ They destroyed too much, conserved too little, and tried to create too much. Xi is trying to reconnect to the past to some extent, but it is too little too late. Without truth, selective reconnection to the past is just one more act of social engineering with no chance of success. Brains can be “washed” (misled, manipulated, and frightened) but the manufacture of traditions is not possible. They must grow organically over generations with an almost infinite supply of sources and connections.¹⁶ There is no place for civil traditions in the communist model, because their dictatorial ethos will not tolerate autonomous organization.

Perhaps the most important consequence of living on the thin line of the present is political instability. Because there are few beliefs and fewer traditions, there are few constraints. Anything is possible. Again, the Cultural Revolution is Exhibit A, but normal everyday workings of government demonstrate the point. The Chinese live in a world where any rule or law or any pronouncement is reversible tomorrow and changed again the day after that. And since the government operates in a

black box, especially on the highest levels, there is no way to predict change, or often even to know what brought it about, sometimes even to know if it in fact came about and exists or does not exist.

There is continuous struggle for power inside the Communist Party on the top levels, between the top levels and the lower levels, and between the central levels and the local levels. There are few effective legal or traditional constraints. Individuals personalize power. As individuals change or change their minds, rules change. The Communist Party's legitimacy as discussed earlier results from economic growth (after a disastrous record of social engineering during the Mao years). This all adds up to vulnerabilities from every direction. This is why they back up their legitimacy with an overwhelming police state and propaganda apparatus. Some would add their skillful management has added to their legitimacy.¹⁷ I would add their legitimacy does not rest on any value consensus inside the Communist Party or in society. On the thin line of the present, it is a juggling act. If they fall, they could fall quickly.

In any case, the "thin line of the present" does not actually exist. The past can never really be absent. In addition to the foundational transmission of knowledge from the past to the present as shared templates for social interaction, identity, cooperation, communication, work skills, and so on for social life to even exist, the "forgotten" often does not vanish; it seeps back into the present in disguised and distorted forms. What links the chain of time may be unclear, but the chain of memory is never broken without the loss of those individuals whose memory it is, and even then, memories may be maintained in writing, memorials, and other such things.

President Xi is a case in point. His father was humiliated and tortured during the Cultural Revolution. His family was separated. Xi spent years as a "sent down" youth in the countryside. Now, as president, Xi is implementing a governing structure that resembles that used by Mao during the Cultural Revolution, including a cult of personality. Multiple interviewees said they see the use of language, policies, and programs (Exhibit A is the Anti-Corruption Campaign) that resemble those used during the Cultural Revolution period. These actions are returning to the center of political life after over four decades of marginalization, disuse, or disappearance.

In this context, the Singapore Chinese diplomat's comments are very insightful. She says the Cultural Revolution is an "aberration" in Chinese history, but Chinese history has had many violent periods, including in the twentieth century. In what way is the Cultural Revolution an aberration? A number of ways come to mind: The use of youth to carry out a campaign to destroy the government, led by the head of government. The splitting of the youth campaign into rival ideologically driven factions that inflicted deadly violence on each other. The whipping up of ideological frenzy to a level where the state-individual relationship dominated all

other relationships, including family relationships. The pursuit of abstract notions of a future social perfection that required the complete intolerance of any and all past cultural forms and traditions, including Confucianism, Taoism, and Buddhism. The destruction of the individual as an individual in his incorporation into the collective person.

These “aberrations” in Chinese history amount to a Chinese form of totalitarianism, related to the totalitarian movements that took place earlier in the twentieth century in Germany and Russia and later in Cambodia. The twentieth century introduced a new form of political organization where logical consistency of ideological systems replaced human social reality as the final arbiter of social value and mass killing became the primary means to achieve ideological goals. As noted, they sought to eliminate individuality in the creation of collective commitment.

Mao Zedong, a cruel and heartless leader, who praised violence and death in pursuit of his “permanent revolution,” was the central organizer, stimulator, and director of the Cultural Revolution.¹⁸ His everything-is-permitted and anything is possible ethos, is the essence of totalitarianism in its boundlessness, omnipotence, and anti-utilitarian drive to destroy social order in pursuit of an imagined (hateful) perfection. Even though the violence mostly took place in 1966 to 1968, the Cultural Revolution operated until 1976 when Mao died in his sleep. The country had entered a trance from which it still struggles to emerge, in the sense that the evil done has not been identified and condemned.

The Singapore diplomat says there is intense shame in China for this period. My data suggests the shame is not widespread, given the repression of history, denial or forgetting or avoiding the past, and indoctrination. Her statement would apply most directly, in my data, to educated, liberal intellectuals who realize the centrality of the Cultural Revolution in Chinese history and public life. For them shame is mixed with anger and fear.

The Singapore diplomat’s comments are consistent with my analysis. She points out the Communist Party cannot renounce its roots in Mao’s leadership because he is too central to their founding and history; thus for the same reason cannot condemn his destructive record. Management of this dilemma takes place through propaganda, specifically the selective use of history, distortion of history, and repression of history.

The Communist Party still needs Mao. Why is this? He is the founding president of the party-state and ruled China for the first 27 years of the party-state’s 70-year existence. After Mao’s death the Communist Party proclaimed Mao was “70 percent right” in his leadership, including his pre-1949 leadership during the civil war. This is a bizarre formulation. First, it quantifies morality. If Mao’s policies helped seven people, but led to the deaths of three others, is Mao “70 percent right”? Mao’s mistakes were so misguided, were executed with such disregard for his fellow citizens, and resulted in such horrific consequences a moral evaluation

based on any commonly accepted moral values would find Mao's leadership profoundly unethical.

Some argue he was good early in his career and bad late, after 1957. This is certainly not true given that during the first four years of his leadership (1949–1953) around eight million “bandits,” “counterrevolutionaries,” “landlords,” “capitalists,” and “bourgeois” were killed.¹⁹ To say this is justified is to accept mass killing as a legitimate political activity. I have heard highly educated Communist Party members take this position.

The Communist Party has tied their wagon to Mao. They had no choice, he is too central to their history to ignore, and cutting him loose would open them up to account for what he (and they) did during his reign. They moved forward with white-washing, denial, indoctrination, and a 20 x 15 foot annually repainted portrait of Mao they keep hanging in Tiananmen Square, their great memorial to the people's space, rain or shine. This makes the people's space a symbol of denial; a place where family secrets are hidden behind the calm gaze of a self-absorbed dictator.

As the feeble “70 percent” solution shows, the Communist Party is aware of the threat the Mao-era poses to their hold on power. The Singapore diplomat states that Mao demonstrates that Chinese culture can produce an “Asian Hitler.” As long as the Communist Party does not fully address Mao's (and their own) evil record, it could return in one form or another. The diplomat notes that even though they keep Mao's portrait hanging, they put the red collectivist Bo Xilai in jail for life. Bo terrified the Communist Party leadership that he could turn into another Mao, “charm the masses,” and use them to overthrow the power structure. Yet Xi has moved in exactly the same direction. Despite not exhibiting “Mao-type” behavior during his career, upon assuming power, Xi threw collective leadership out the window, started the extralegal, massive Anti-Corruption Campaign, increased use of Cultural Revolution language and practices, started a cult of personality, and made himself dictator for life. Both Bo's enormous popularity in Chongqing and nation-wide following and Xi's concentration of power campaign, show that despite its ambivalence the Communist Party's repression of its own history has left the door open for it to return.

The Cultural Revolution may have been an “aberration” in Chinese history, but it is now part of Chinese political culture. With Bo and Xi, it not only has returned, it will continue to return with Xi and those who come after him. The only questions are in what form, merged with what other values, and with what force. The Cultural Revolution was too violent, affected the society too deeply, and had too many historical roots²⁰ to not return without entering the halls of justice.

Interestingly, my sources said the Communist Party did not put Bo in jail because he committed crimes. Many Communist Party leaders have

committed crimes; crimes are not a cause for punishment; and in any case, it is irrelevant to the Communist Party whether he committed crimes. My informants said he ended up in jail because he angered a more powerful Communist Party boss, prime minister Wen Jiabao's name was mentioned, or he broke Communist Party rules about involving the military in political conflicts, or he was a threat to power players, Xi's name was mentioned.²¹ I objected that his wife committed murder and his police chief took refuge in the American consulate. Certainly, that hurt him. No, I was told, that would all have been covered up or explained away if he had top tier support.

The Singapore diplomat argues that Bo was removed because he was a threat to the Communist Party power structure. He was an inspiring leader who could move outside Communist Party factional politics, ruthless though they be, and fire up the population to take over or smash the Party. In other words, he represented a return to Mao, a "Mao-type" leader, who may not take his toys and go home in the event he did not ascend to the top position.

Two questions remain. Why is the Cultural Revolution ideology returning now after four decades in sleep mode and why is the population vulnerable to it? It is the argument of this section that the Communist Party and the society are vulnerable to it because they did not learn the lessons from the original experience. In fact, much of this history and more importantly the emotional experience of it, has been denied, distorted, and repressed.

The question of why it is emerging now is more difficult to answer. Clearly, no one anticipated it from Xi. In fact, he promised liberalization and given his past liberal observers hoped for liberalization. I think one can conclude that the Communist Party feels under threat from the level of corruption inside its own ranks, growing societal complexity and power, and ever-simmering unrest. This seems obvious. The question remains, why did Xi respond with a return to Cultural Revolution style leadership?

I contend that Xi lived through the Cultural Revolution and is part of a governing apparatus and society that has not dealt with its emotional impact. Beyond that, it seems reasonable to assume there are elective affinities between the nature of the CCP and extralegal campaigns, indoctrination, ideology promulgation, cult of personality, and the rest of it. Below I will explore these affinities.

NOTES ON CURRENT PERCEPTIONS OF MAO

Chinese scientists, according to a professor of environmental studies, tell a joke about Mao. Question: What are the top ten topics that will destroy a friendship? Answer: Chinese traditional medicine, role of science in

society, genetically modified organisms, but above all Mao Zedong. Four decades after his death, Mao's legacy still generates heated debates. Some believe he is the devil; others believe he saved China, he said.

One problem in any evaluation of Mao, the professor continued, is no one knows what Mao actually believed. Did he try to be "a good emperor"? Some say maybe. Most Chinese believe Mao was a great man at the beginning, but the Communist Party has made only limited historical materials available. There is a lot that is unknown. Take the Great Leap Forward, for example. Was Mao to blame for the starvation of tens of millions of his fellow citizens or was it Liu Shaoqi, Mao's successor as head of the Communist Party? What really happened in this period? The public does not know, he said.²²

The Chinese may not have all the facts but they still have many opinions about Mao. According to an American professor of history who has lived in China for three decades, the Chinese like Mao because they think he represents a simpler time. If corruption existed, Mao would have ended it. The Chinese know little history, he said. They think Mao's time was stable. They all had jobs, their children all received education. They all had coupons.

A Chinese law professor agreed with this assessment. He said most Chinese like Mao, but most do not know what he did. This view is most likely true for the population in general. Some educated Chinese have more nuanced views.

The editor of a government-run newspaper said there is a "for school" and an "against school" on Mao. Mao is still influential, he says. Mao is the founding father that "consolidated the basics" for the country's development. Without Mao, today's success is not possible. Before 1949, China was nothing. He is the one who understood Chinese history and tradition. He found a way for China to overtake many Western countries in 30 years by every standard. It took other countries 200 years to achieve what China achieved in 30. He is the core of the leadership. He led the country and cultivated the thinking of the Chinese people.

Even now, he continued, Mao is "revered as a god" by the older generation. Half of China today "is still Mao." The other half "is in Mao." Without Mao, no Deng. Deng created reform. Deng unleashed the people's power. Without the "solid base" of the previous 30 years, the opening story would not have been so successful.

The "against school," he went on, says Mao created hardship. They could not go to school or get good jobs. There were constraints on personal freedoms. He closed down the country. The editor explained, however, this was not China's choice. The Cold War was going on. China had enemies on all sides.

Other supporters added other positives. A Chinese lawyer mentioned many people love Mao and trust him. He gave his supporters power. He led the people through the war. A Chinese Hong Kong businessman said

Mao eradicated the opium problem.²³ He united the country into one language. A Chinese professor of finance added there was not much corruption under Mao and there was some restraint on people in power. A 28-year-old, Chinese manager said he was a good leader. He tried to do the right thing. Sometimes, she went on, leaders have to deal with difficult problems.

A Chinese law professor, however, said the Stockholm syndrome explains all these positive views on Mao. The syndrome is where the victim grows to appreciate the torturer. He continued President Xi does not blame Mao for the Cultural Revolution. Xi appreciates Mao for winning. Mao made possible everything the Communist Party has today, but Mao is a difficult figure for the Communist Party. They are brainwashed. They feel they owe him. If they criticize him, he continued, it would damage the Communist Party. They weigh the pluses and minuses.

Others mentioned other negatives. A Chinese CEO of a European MNC said that the murder of the landlords in the 1950s was the first of several acts of violence that destroyed Chinese culture and turned people against each other. A Chinese executive said Mao's policies were 50 percent bad and 50 percent good. A Hong Kong businessman mentioned he made everyone poor.

On a more personal level, a Chinese professor of political science said Mao did not care about his family. He wanted them to like what he was doing and help him with it. A Chinese doctoral student said Mao is the devil. He had sex all the time in the swimming pool and on his train.²⁴ Practically, he went on, his whole family died, which is not correct.

The Chinese doctoral student and a Singapore Chinese doctoral student commented on Mao's relation to the intellectual classes. The mainland doctoral student said Mao thought the farmer was morally pure because he was untainted by reading. The student thought Mao was right to send the intellectuals to work in the fields because they had criticized the government. There is, he said, a paradox in Chinese history: While the most educated are the best rulers of the country, they are a threat to the emperor. The Singaporean doctoral student said Mao commands respect in China even though 60 million people died under his leadership. Some believe he "hollowed out" the middle class.

The Chinese doctoral student said, however, that Deng started the one-child policy. Mao liked babies, he said. Mao wanted another 100 million people. People were power to Mao. Intellectuals were the exception.

Finally, many people commented on Mao's motivation. In this regard, it is interesting to compare an American professor of sociology's view with the view from Chinese professors. The American argues Mao was an ideologue. He was not a power-hungry tyrant. He did not kill anywhere near the number of people Stalin killed. Mao was lazy. He was a big thinker. Mao concluded his colleagues were just waiting around for

him to die to back off his core Marxist agenda, which Mao had received from Stalin. Mao conducted the Cultural Revolution to protect his ideology. He saw the killing as collateral damage. He was uncaring but not a pathological killer like Stalin, he said.

Even before Mao came to communism, the sociologist continued, he had come to believe in the power of the masses, the importance of an all-powerful ruler, and the ruler should not tolerate disagreement. In this regard, Mao carried on Chinese imperial traditions.

A Chinese professor of political science, however, had a very different view. Mao thought he was the emperor/god, she said. Mao was not a Marxist. He was a user of traditional Chinese strategies of control. He used some Marxist theories for control too. He was not so much a theorist as a practical politician. He tried to get total control of society but never could. People close to him had other ideas. One top lieutenant tried to assassinate him. Mao wanted everyone to like him as the great leader and was frustrated he could not achieve this. During the Great Leap Forward, he kept getting dishonest reports, she said.²⁵

A Chinese professor of finance commented on Mao's leadership. Mao thought it would be expedient if the Communist Party was the only party and he had full control over the Party. Ultimately, he was not able to achieve the level of control he desired. His power came from his ability to communicate an idea so that people saw they could gain. The masses were uncultured. They knew nothing about communism, but they knew if they followed Mao, they would get the landlords' wealth. His followers were motivated by interest and hatred, not ideology.

The Chinese professor of environmental studies agreed Mao regarded himself as an emperor. Mao knew Chinese traditional culture well. He controlled the country like an emperor. Ironically, in the Communist Party's constitution, the highest power is the People's Congress. In the beginning, Mao tried to work with others but could not get what he wanted. Maybe he tried to be a good emperor, but Chinese society had not changed. It is not easy to govern. He learned a lot from Stalin. He was half-Chinese tradition and half Stalin, he said.

Discussion

Clearly many people in China, probably most, do not have an accurate view of Mao. This includes educated people and people in the government and Communist Party. This is the result of the Communist Party's propaganda and indoctrination apparatus. If the truth about its founding father and longest ruling leader were widely known, it would damage the Communist Party.

The fact that a whole nation experienced Mao's dictatorial leadership for 27 years and then the experience was either whitewashed or suppressed leaves the memory of Mao in the same distorted condition as the

Cultural Revolution. Given the intensity of Mao's rule, we would expect people to reenact the missing memories unknowingly in disguised form. Perhaps an example is Xi and his wife. People now commonly refer to them as the "father" and "mother" of the Chinese people. Instead of concern for another strongman ruler, many Chinese idealize his goodness.

The Communist Party editor articulates one of the most interesting views of Mao. He and others have said Mao laid the groundwork for the success that has taken place during the reform period. On the face of it, this seems astonishing. When Mao died in 1976 per capital GDP was \$150, one of the lowest in the world amongst industrializing nations. He did not accomplish any of his extravagant economic goals. He left the economy in shambles. The economy had been in a slide since 1962.

The editor did not make an economic argument. He said Mao changed the *thinking* of the Chinese people. This change in character and perspective made possible the success of Deng's reforms. A Hong Kong businessman agreed. He said China had been a Confucian-imperial-agriculture country for thousands of years. It took a willful strongman like Mao to change the character of the Chinese people and to put them on the track to modernize.

Is this plausible? Not really. Mao's leadership was often destructive or wrongheaded with catastrophic results on a massive scale. He did great damage to trust and civility in society, key ingredients for modernization. Is it possible that in his destructiveness, he uprooted Confucianism and Taoism and in a negative sense prepared the country for cultural development? Not really. Confucianism and Taoism were damaged but not destroyed. They are still there today. In fact, Xi is supporting Confucianism and referred to China as a Confucian country. Mao's culture-by-design approach to social change was naïve, irresponsible, self-centered, and destructive. He created confusion, depression, and loss.

Cultural development unfolds from the past. Cultures evolve, incorporating new ideas into old. It is a complex process. It takes time and is far from designable.²⁶ Mao's instant change model, forcing Marxism on a Confucian-Taoist-Buddhist society, resulted in great *social* changes—for example, forcing small farms into large communes—along with cognitive and cultural confusion as people tried to make sense of/survive sudden radical changes in their lives. The new Marxist Man/Woman is not what one finds in China today. One finds Chinese that have many traits, many of which can be traced back centuries and even millennia.

The data reported here shows Mao understood the Chinese masses, at least how to persuade them to support his goals. Perhaps the key factor in the Communist Party defeat of the Kuomintang was the communists' ability to organize and win support from the peasants. Marxism was some help here even though Marx believed the revolution must come

from the industrial proletariat. Mao and his colleagues adapted Marx to China's agricultural economy and organized the peasants.

Mao, coming from a "rich" peasant family in an inland province, grew up in, studied, and organized peasant communities during a period of massive and brutal social change. This relationship to the masses was the core of his power base. Throughout his career, he repeatedly threatened to return to the forests and mountains and foment a revolt to intimidate his Communist Party colleagues when he did not get his way.²⁷ Ultimately, this is what he did do during the Cultural Revolution, except instead of peasants he used students and workers. Hence, Mao was more of an iconoclast and dominator than ideologue. In fact, he treated the peasants harshly once he attained power and his interests changed.

As seen in the data, many people think Mao had good intentions. Even the American sociologist who spent a lifetime studying China, believed Mao was an "ideologue" and "big thinker," comparing him to Stalin, a mass murderer, concluding Mao was not a man with blood lust, merely "uncaring."

It is true that Mao takes second place to Stalin for the mass murder trophy, but that is a low hurdle to meet, too low. As mentioned earlier, throughout his career Mao ordered or participated in ordering murder and mass murder. To call this "uncaring" is not credible. Importantly, Mao used mass killing regularly to advance his political/personal agenda. Exhibit A is the killing of one to two million landlords starting in 1950. The communists redistributed their assets to peasants during land reform. This transfer of wealth and organization of genocide were crucial in attaining mass support for the Communist Party and solidifying the Communist Party's hold on power. Mao was the undisputed head of the Communist Party.

Involving the population in mass murder is crucial. The army did liquidate the middle class. Communist Party cadres organized show trials in the villages where peasants were encouraged to humiliate the landlords and their families, vent their hatred, and *carry out* the killing.²⁸ The process ensures everyone has blood on his hands. It ensures that on an unconscious level, the participants are founding members in the killing cult, which is the Communist Party. They share in the win, the expropriation, and the guilt. This leaves the participants in debt morally and dependent psychologically. It is not easy to clean off the bloodstain. As in Christianity, Confucianism prohibits killing and stealing.

Following Marxist theory, Mao (and the Communist Party) wielded the *concept* of class as a weapon. Since they know the prime mover of history and its end point, demise of the landlord class was inevitable anyway, they just rushed it along, and if it helped their power position in the process, so much the better. The Marxist theory of communism requires class conflict and violence. Mao, throughout his life used both, but since he never achieved his ends in practice, he was always developing

theory and pushing it. Reception was good with the exception of the top communist leadership, as his theories and the Communist Party propaganda and indoctrination apparatus became the same thing. With poor results on the ground coupled with robust theory promulgation and implementation, the Chinese consumed more theory than calories. Life under Mao became a deadly abstraction.

The killing did not stop with the landlords. David Shambaugh lists 2.65 million killed during the Bandit Extermination Campaigns 1949–1954, 1 million killed during the Three Anti and Five Anti Campaigns 1952–1953, several hundred thousand intellectuals purged, imprisoned, or committed suicide during the Criticize Hu Feng Campaign 1955, 300,000 executed and several million intellectuals imprisoned for twenty years or more during the Anti-Rightist Movement 1958, and so on.²⁹ Nowadays the number of deaths are smaller but the campaigns continue.

Finally, what was Mao's relationship with the intellectual classes, given his penchant for writing theory? Mao was a thug who wrote theory. Why would a thug write theory? It is a tradition within communism. Lenin and Stalin wrote theory. Marx claimed he discovered the laws of historical change and their final social resolution in the withering away of the state in communism. It was a future event. For the dictators who took it upon themselves to implement this vision, great social reorganization required defeating reactionary forces and implementing the classless society. It was only natural that to explain and direct these unprecedented changes, practitioners would need theory. In a period of great societal disorder, theory provided the illusion of coherence in an otherwise lost time. Mao, like his mentor Stalin, used theory to claim that they and they alone grasp the thread of history and had the vision to lead. Theory became a tool of power.

In a dictatorship, by definition the dictator's ideas do not compete in the marketplace of ideas; if they did the dictatorship would evaporate. This is why Mao could not tolerate an independent intellectual class and quickly clamped down on intellectuals at the slightest sign of independence throughout his period in power.³⁰ The crucial point and the essence of Mao's leadership was intolerance. Mao had to be in control. Someone else could be in control (temporarily) as long as he followed Mao's direction. Intellectuals were an eternal threat to this type of personality and suffered from the beginning to the end of Mao's reign.³¹

It is in this context that the Communist Party unanimously voted to enshrine "Xi Jinping Thought on Socialism with Chinese Characteristics in a New Era" in the Chinese Constitution in 2017. Xi has also ordered a crackdown on what university professors can say in the classroom. The control over ideas parallels the control over all other forms of political influence in a dictatorship. In true communist tradition, Mao's theory writing bent was inseparable from his intolerant will. It is here, in the

practice of theory, that the common tyrant's lust for power found throughout history achieves total domination.

CONCLUSION

I define totalitarianism as the use of terror to force a population to live in a fictitious world where their very thoughts are under the control of the leader. Individualism is expunged, independence crushed. The purpose is to achieve an idea—the master race or the classless society—by exterminating all alternative forms of social life.

More than anything else, I understand the CCP by its central organizational form, the campaign, especially the violent campaigns of suppression. More than anything else, the campaign is the basis of its power, its practice, and the social world that results. Almost simultaneous with their creation of a state, the People's Republic of China, the Communist Party launched several extermination campaigns. The most violent one resulted in the wiping out of the middle class, most especially the landlords.

In this way, through murder, the Communist Party moved to achieve their theory of communism that theoretically was supposed to result in the "classless society." The middle class, especially the landlords, stood in the way of the theory of communism and had to be exterminated. In this way, through murder, they demonstrated their theory was true.

In this sense, the communists were totalitarian right from the beginning in the use of terror to construct reality out of their ideas. Totalitarianism comes in different forms and can reach different levels. In the Cultural Revolution, they achieved a higher level of total control. For one thing, Mao, despite being out of office, exercised levels of control unparalleled in the later years. Despite a series of horrible mistakes that inflicted great suffering on the population, the propaganda machine, terror regime, and above all organization of society ensured that Mao's prestige continued to grow. The population had little chance to think critically or even clearly in these iron curtain conditions.

At the height of totalitarian domination during the Cultural Revolution, the worst attacks on intellectuals in modern Chinese history took place. Because totalitarianism drives to make a fictitious world real through violence, intellectuals are an intolerable obstacle given that they are specialists in the creation and criticism of ideas. They were murdered, tortured, and led to suicide. Educational institutions were inoperative for a decade. The insane and fantastic nature of totalitarianism, its singular implementation of an idea through total violent domination, required the decimation of the intellectual class even though that meant purging scientists needed for Mao's modernization goals.³²

The current leadership of China, having lived through Mao and the Cultural Revolution in their youth, rest uneasy with their memories. On one hand, they cannot criticize Mao too much or open up the wounds he left, without discrediting the pumped-up Communist Party and their own positions in it. On the other hand, the terror they experienced is inseparable from the use of political power they witnessed. If they cannot go forward, do they risk going back?

Trauma is not conducive to learning. It leads to denial, forgetting, and repression. In other words, the leadership of the Communist Party inherited a psychologically difficult political culture. Nathan's "resilient authoritarianism" and Heilmann and Perry's "adaptive governance" may have more than a small dose of unconscious repetition built into them. One can observe this in Xi, a child of the Cultural Revolution and creator of a back to the future regime. Rationality shares the stage with repetition. The crushing of Hong Kong autonomy in 2020, suggests the latter may yet triumph.

NOTES

1. Guobin Yang, *The Red Guard Generation and Political Activism in China* (New York: Columbia University Press, 2017).

2. At a meeting of the Politburo Bureau on deaths caused by the Cultural Revolution, Ye Jienging reported 123,700 deaths from combat, 115,500 "irregular" deaths of illegally detained cadre, 4.81 million "irregular" deaths in the cities, 1.2 million "irregular" deaths of landlords and family members in the countryside, and 557,000 missing. Ye Jienging, "Report at Politburo," First Plenary Session, 12th Central Committee, Research Office CCP Central Committee, 1982.

3. Mao completely misunderstood the social situation. Capitalism was never much of a threat. The bigger threat to the communist revolution came from self-serving interests inside the Communist Party's own bureaucracy. The even bigger problem for the population was that one man had so much concentrated power that he could force his misguided views on the entire population. Andrew Walder, *China Under Mao* (Cambridge: Harvard University Press, 2015).

4. One of the hallmarks of totalitarianism is the use of ideals and ideological thinking to remove the individual from his social relations into a closed world of ideas, where anything is possible. Killing becomes cleaning. Killing becomes making the perfect world. Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt Brace Jovanovich, 1950).

5. Ironically, the society that the communists created led to great inequality. The Communist Party organized the whole economy into "ranked hierarchies" depending on their priorities, which determined how well an individual worker lived. The "most extreme status and resource cleavage . . . was . . . between city and countryside." The "great majority . . . more than 80 percent who lived in the countryside . . . can only be considered 'socialist serfdom.'" Arthur Kleinman, "Health, Subjectivity, and Moral Change in China," in *The People's Republic at 60*, ed. William C. Kirby (Cambridge: Harvard University Press, 2011), 281. Unlike the pre-1949 society "which was characterized by huge inequalities but no caste-like barriers. . . . Chinese socialism . . . ended up producing a social order with striking resemblances to feudalism" (282). The communists did not know what they were doing; or were doing something different from what they were saying they were doing; or both. In any case, in their drive to industri-

alize China the communists ignored the inequalities they created while they preached and demanded sacrifices for equality.

6. The ancient tradition of the emperor as the Son of Heaven, performing a caesar-papist role, combining both state and religion, infused Mao and his continuously changing ideological musings with omnipotence and awe. Near total authority combined with a total social ideology, led to wrenching, inhuman changes in social relations and social organization. The result was death and destruction on a society-wide scale.

7. David Shambaugh, *China's Future* (Malden, MA: Polity, 2016).

8. William T. Rowe, *China's Last Empire* (Cambridge: Harvard University Press, 2009).

9. Mao hated his father. The founding leadership of the Communist Party generally had poor relationships with their fathers. Deng Xiaoping as an adult never returned to the village where he was born and raised. Philip Short, *Mao* (New York: Henry Holt and Company, 1999).

10. From Rousseau through the French Revolution to Marx to Mao, the law was taken out of religious and political institutions and posited in "the people." But when "the people" became the law instead of subject to it, the result was not freedom but the Reign of Terror. Hannah Arendt, *On Revolution* (New York: Penguin Books, 2006).

11. Yang, *The Red Guard Generation and Political Activism in China*.

12. As we see Putin bringing back elements of Russia's totalitarian past in the use of murder to silence his critics, state control over media, cult of personality, and so on. Masha Gessen, *The Future Is History* (New York: Riverhead Books, 2017).

13. The United States has the rule of law, division of powers, and a free media yet elected a con man, Donald J. Trump, president. David Frum, *Trumpocracy* (New York: Harper, 2018). Though Trump does have a platform that represents the interests of many of his voters, they were willing to overlook severe character flaws or in some cases were attracted to these flaws. Thus, there is at times, especially during periods of disturbing cultural, economic, and social change, a strong irrational component in politics. For China, without the above institutions and with a long history of dictatorial control, progress toward holding leaders accountable will be glacial, if it happens at all.

14. The French Revolution led to deep changes in French culture. To say the following generation was less violent, misses the point.

15. Woei Lien Chong, "Philosophy in an Age of Crisis," in *China's Great Proletarian Cultural Revolution*, ed. Woei Lien Chong (New York: Rowman and Littlefield Publishers, 2002), 215–54.

16. Edward Shils, *Tradition* (Chicago: University of Chicago Press, 1981).

17. Heilmann and Perry call it "adaptive governance." They see the CCP as pragmatic, skillful, and increasing institutional capacities. These views under estimate the broken culture and liability to moral dysfunction. Sebastian Heilmann and Elizabeth J. Perry (ed.), "Embracing Uncertainty: Guerilla Policy Style and Adaptive Governance in China," in *Mao's Invisible Hand* (Cambridge: Harvard University Press, 2011).

18. The idea of "permanent revolution" was first used by Trotsky in 1905 (Arendt 1950). It perfectly captures the totalitarian ethos, endless destruction as a form of domination. It is insane in the sense that it rejects the basic requirements of a human social life, commitment, trust, and reliability.

19. Shambaugh, *China's Future*.

20. Barend J. ter Haar, "China's Inner Demons," in *China's Great Proletarian Cultural Revolution*, ed. Woei Lien Chong (New York: Rowman and Littlefield Publishers, 2002), 27–68.

21. As is often the case in China, the rumors are true. In Wen's final press conference in 2012, he framed the imprisonment of Bo as a battle against Maoist forces still stirring in China. Bo was a rival of Xi's. Both had wrapped themselves in the red flag. Many thought Bo was smarter, more charismatic, and more courageous than Xi. If Xi

did not remove Bo, he would not have been able to control him. John Garnaut, *The Rise and Fall of the House of Bo* (Melbourne: Penguin Books, 2012).

22. The literature in the West, however, has arrived at conclusions on who is responsible. This Chinese professor is unclear based on Chinese sources. In other words, it is much harder to do research on Mao inside China than outside. This may seem obvious, but it points to the blanket of censorship that the Communist Party is able to maintain even on such a basic and central event.

23. Accomplishments in the area of health in the first thirty years of Communist Party rule include life expectancy increased from thirty to seventy, prostitutes rehabilitated, traffic in women and drugs ended, vaccinations introduced, control of water and sewage improved, nutrition improved, and more adequate housing and clothing. Kleinman, "Health, Subjectivity, and Moral Change in China." All this stopped the downward spiral of disease and mortality.

24. Dikotter describes Mao's sexual appetite as voracious. Frank Dikotter, *The Cultural Revolution* (London: Bloomsbury Press, 2017).

25. Walder makes clear he kept getting dishonest reports because of the intense pressure he put on Cadres to meet his goals. Walder, *China Under Mao*.

26. Today "The CCP leadership is designing the future of the country by consciously drawing on Chinese tradition . . . the CCP regime is normalizing itself by integrating the revolution into the continuity of history. . . . [M]uch of what we are observing in China today is less Communist and more Chinese!" Susanne Weigelin-Schwiedrzik, "Concluding Remarks," in *The People's Republic of China at 60*, ed. William C. Kirby (Cambridge: Harvard University Press, 2011), 413–18. In other words, the CCP is not so much "designing" culture as developing it.

27. Short, *Mao*.

28. Elizabeth Perry quotes a cadre, "We felt that speaking bitterness was extremely effective in stimulating class hatreds and heightening feelings of vengeance" (113). Perry quotes an observer of the "speaking bitterness" campaigns, "the following day 'hundreds of accusations' came out against party-selected targets, who were taken to a field at the edge of a village and shot" (115). Elizabeth J. Perry, "Moving the Masses: Emotion Work in the Chinese Revolution," *Mobilization: An International Journal* 7, no. 2 (2002).

29. Shambaugh, *China's Future*.

30. The Hundred Flowers Movement in 1956 was an exception, but within a very short period it reverted to the violent Anti-Rightist Campaign.

31. Mao made clear as early as the Yan'an period in his Talks on Literature and Art that any intellectuals that did not follow his lead would be attacked. Merle Goldman, "The Rule of China's Public Intellectuals in the People's Republic of China," in *The People's Republic of China at 60*, ed. William C. Kirby (Cambridge: Harvard University Press, 2011). The worst persecution came in his final years during the Cultural Revolution. The intellectual class was decimated, the education sector mostly shut down. For Mao, ideas are not about truth, they are about control.

32. Mao believed that the total commitment from the total population could overcome any obstacle. This insensitivity to the division of labor and extreme collectivization reflects Mao's tendencies toward total control and belief in his own omnipotence.

NINE

Factions Today

Politics is the art of creating purposeful organization out of the chaos of human diversity and manifold ambition, but when it comes to great political accomplishments like the founding of states, according to Niccolo Machiavelli, this necessarily requires the concentration of power in one man, because only the singleness of one mind can turn diversity into greatness.¹ Indeed, with the exception of the American Revolution, history has shown Machiavelli to be right.² It thus appears that Xi Jinping believes that China has arrived at a point where great collective accomplishment is possible and he should be the one to singlehandedly take the lead in this effort. Immediately upon taking office, he not only began unfurling the great outlines of his “China Dream,” but simultaneously started a broad effort to concentrate power in himself.

Nonetheless, China has been around a long time and is set in its ways. The ancient tendency to organize in small groups permeates the Chinese people in everything they do. Politics is certainly no exception. Political organization is rife with factions, jostling for power and advantage. Xi himself is a member of the Party of Princes, descendants of the founders of the Communist Revolution. Into the teeth of this factional diversity, Xi has launched an enormous “anti-corruption” campaign to remove those from positions of power who he cannot trust and replace them with his own people, thus building his own political machine through which he can develop China along the lines of his personal leadership.

In this chapter I will analyze data on the nature of this great factional system, how it works, and how Xi is going about getting it under his control to implement his leadership. I will examine the relations between the family model (small groups), money, power, secrecy, and the great fluidity that is characteristic of Chinese politics.

Xi's Anti-Corruption Campaign not only attempts to consolidate power and get corruption under control, it attempts to throw a wet blanket on the entire factional system, intending thus to force Xi's vision of the future on the entire diverse and dynamic structure. It is for this reason that many observers of Chinese politics fear Xi is moving back to the "Cultural Revolution," Mao's great attempt to totalize political thinking in China. The factional nature of Chinese politics makes this very difficult, the reason Mao introduced violence countrywide to overcome it. Xi has not introduced this level of violence, only the extralegal anti-corruption apparatus and ever-increasing controls in every nook and cranny.

RED FAMILIES

Hereditary Elite

I see the Chinese political system at its core as a battle between interest groups. Probably the central such group is the "Red Families," more commonly known by their leading political players, the "Princelings." These families are the descendants of the founding leaders of the Communist Revolution both before 1949 and after. The size of the Princeling group is between 100 and 400 families. There are about 150 key decision makers in the group.

The Red Families battle other interest groups (and each other), new and old, for control over wealth and power. They dominate Chinese politics. A Chinese law professor said the previous president and prime minister, Hu Jintao and Wen Jiabao, were not Princelings, so they could not get anything done. A Chinese journalist working for a state-run newspaper added the Princelings will decide when to end the Anti-Corruption Campaign. The key purpose of the Campaign is to remove their competitors. What they know, he continued, is power.

According to a group of American executives, each having lived in China for two or three decades, 99 percent of the top families in China today have been the same families for 60 years. It is very difficult to "crack" the elite. They control China. Even successful entrepreneurs cannot get into the elite. The Communist Party, Red Families, and Chinese traditions intertwine, they said.

The fact that families are still central to Chinese social structure and political power, demonstrates the continuing dominance of patrimonialism³ and Confucianism in China. A Chinese Hong Kong banker offers an example and explanation:

Xi comes from a mafia group. He is part of a brotherhood. In China, family heritage is very important in the political world. In China, family heritage carries a lot of weight. Who is your father? His hometown is

very important. When my father's generation meet they ask what is your hometown? It determines your credibility.

Discussion

The ancient Chinese civilization had an outstanding characteristic; its political-cultural model was remarkably stable for over 2,000 years. The social structure had two dominant institutions, a patrimonial state, characterized by a caesaropapist emperor and a bureaucracy of scholar officials, and an agricultural economy organized through and operated by family-structured more than less autonomous villages. This institutional structure was permeated by Confucianism, a hierarchical social philosophy based on five cardinal familial relationships and a very extensive ritual system that defined and regulated these relationships; and Taoism, a mystical based religious system that encouraged passivity.⁴ Confucianism dominated the scholar-official class and Taoism the villages. The educational and political gap between the two social worlds was enormous.

The situation in China today is changed and not changed. The Chinese Communist Party (CCP) founded on socialist principles in the 1920s that were developed in the West in the nineteenth century and further developed in Russia in the first half of the twentieth century, was a radical break with the Chinese dynastic-Confucian system. In fact, the mass murder of the landlords discussed in the previous chapter and the radical land reform campaign of the 1950s, was an effort to crack the spine of the feudal social structure and introduce socialism under the dictatorship of the Communist Party.

In 2020, however, there is an emperor-like concentration of power at the top of the political system, embedded in a hereditary-based system of families that dominate political and economic power in China. The name, Party of Princes, is a reference to the dynastic system. While China has struggled mightily to modernize over the past two centuries, the political system, which is our interest here, shows some significant affinities with the imperial system that went before it despite many ideological, organizational, economical, and technological changes.

In Hong Kong, I met businessmen from a nonprofit association that was based on the hometown of their fathers in China. The purpose of the association was to maintain a relationship with their ancestral home, support each other in business, enjoy the community of friendship, and sponsor individuals back in the hometown and those moving to Hong Kong. In Singapore, too, I heard of the strong pull and connections Chinese maintained with their familial origins on the mainland even after generations. A young Chinese professor at Peking University, who had received his PhD from a top American university, said his village had chiseled his career accomplishments into a large stone and displayed it in

the village. He said the stone will remain in the village long after his death. He was very disturbed over conflicts between his responsibilities to his siblings and parents in the village and his wife, children, and career in Beijing.

Personal relationships in small groups is the core structure of Chinese society. The ancient clan structured village is the model. The Chinese political system is no exception. In addition to the family-based relationships in the Party of Princes, Chinese political groupings are built around personal relationships established in organizations (for example, the Communist Party Youth League), cities (for example, the Shanghai coalition), and apprenticeships (for example, worked under a particular general).⁵

In the Hong Kong banker's quote, it is important to note his mixed metaphors when describing mainland political organization: mafia-family-hometown. He adds "mafia" to the family-village connection just discussed. Why would families and villages take on a criminal character? A society without an over-riding belief system based in religion, morals, or law, is an unlikely candidate to, to a significant degree, constrain self-interest. In China, small groups, often working in and through a government-dominated society, organize to exploit government powers, information, and/or monies. This is an important reason why problems with corruption run through Chinese history and often involve government officials.

During the Mao era, this was less of a problem because there was less to steal and because equity was enforced.⁶ Additionally, Mao tried to create an over-riding belief system, Marx-Lenin-Stalin-Mao thought. Mao took massive and incredible steps to create the new system. For almost three decades, this effort dominated the lives of the Chinese people. Once life returned more in the direction of normal, self-interested small groups organized around families and other personal connections once again became central. It is true that the Mao-led Communist Party damaged Chinese moral culture that aggravated rent seeking, but the underlying small group ethic can be seen in the historical record going back centuries and longer.

Red Family Wealth

Red Family wealth originates in their parents' ownership shares in SOE, explained an American journalist. What we call "SOE" was originally part of the ministries, said a Communist Party official. The original Red generation took ownership shares when they created the SOE system. A Chinese banker added the elite founding families own everything; for example, they own the electric grid.

A Chinese professor of political science explained how the Red Families extract wealth from SOEs:

There are Red Families. These are the Princelings from the Mao, Deng, Xi, and other families. One percent of the population owns 99 percent of the wealth. This was shown in a survey. It is done through SOE. It was set up by their fathers or their fathers' friends. A family member is put in charge of a SOE. The big ones like oil. SOEs always lose money and are subsidized by the government. The leader channels money out of the SOE to private family businesses. It is completely legal. The family businesses make a lot of money. This is how the Red Families get their wealth. The top person at the SOE's regulator is part of the arrangement.

A Chinese manager said the first generation of Red Families fought with Mao, the second generation became top officials, and the third generation went into SOE or JVs. They received these positions whether they were qualified or not. It is a small number of people. A Chinese professor of law added, when reforms started these families "enjoyed privileges."

A Chinese journalist working for a state-run newspaper said the Boyuan Foundation was set up by a group of Princelings to explore how to reform SOE, particularly how to make them more efficient. The journalist attended meetings at the foundation in 2015, to discuss the government's plans to lay off six million SOE workers. A high-level government official specializing in market efficiency spoke at the meetings. Her presentation focused on the need for the rule of law to stimulate entrepreneurship. The Princelings had an adverse reaction to her ideas. The Princelings rudely cut short her presentation. She was told to "shut-up." Apparently, they not only did not see the relationships between entrepreneurship, efficiency, and the rule of law, they did not see them as acceptable societal institutions.

Discussion

One striking fact of Chinese communism is the class system. As the Mandarin, scholar-officials, separate, powerful, and the wealthiest class in imperial China, the Communist Party has a similar position in the party-state. The irony is of course that the CCP is a Marxist socialist political organization holding equality as their core value and the end of class as their core goal. Yet we see the founding members of the Communist Party and their descendants have controlled and exploited the financial benefits of the Communist Revolution by channeling public ownership into their own private wealth.

In Marxist theory, class conflict is the driver of history toward the endpoint of equality in the classless society. As soon as they formed the People's Republic, class relations were of the highest concern to the leadership. Starting in the 1950s, the Communist Party divided the population into three classes denoted as red, grey, and black.⁷ The father's pre-1949 economic and political status defined families. For example, peas-

ants and soldiers whose labor was considered unstained by the profit motive were labeled red, those with capitalist profit-seeking or Kuomintang backgrounds were labeled black, and others with limited negative associations were put in the ambiguous grey category. Guobin Yang reports that up to the Cultural Revolution these class assignments “controlled the nerves of Chinese society.”⁸

One reason for the implementation of the Cultural Revolution was to battle and destroy the ever-creeping development and expansion of a “black-class” inside the Communist Party and other central institutions in the communist state. Mao feared, according to Walder, that his colleagues were just waiting around for him to die to reinstitute some type of capitalist system, where true socialism and equality lost out to self-serving elites.⁹ Mao’s concept of “permanent revolution,” of which the Cultural Revolution was a historical stage, sought to create a permanent war footing against this ever-returning foe, whose relentless march back to selfishness, greed, and exploitation was a singular threat to everything good and pure at the end of history.

Apparently, as we see in the 2016 data, Mao was right. Not only did Deng Xiaoping, who Mao purged twice, reintroduce markets and the pursuit of wealth as soon as he could after Mao died, Communist Party elite and non-elite grabbed and continue to grab as much money as they can. Truly, Mao’s end of history socialist dream, despite turning society inside out, and upside down, never got off the ground.

During the Cultural Revolution, a middle school student, emulating Mao’s theoretical practice and socialist vision, wrote an excellent paper on the decay of the Communist Party into what he called “red capitalism.”¹⁰ His reward for the essay was ten years in jail (he was lucky he was not tortured to death, an outcome that resulted for similar essayists). His essay hit too close to home. Already under attack from Mao and the extreme left, many cadre did not take kindly to having their shattered legitimacy and nearly destroyed hold on power further undermined.

With this history, Deng’s blessing “let some get rich first,” is riddled with irony. The people to get rich first during reforms were Communist Party officials and their families and friends. They held on to the keys to the kingdom during reform and used these keys to collect rents and ownership shares and harvest government investment streams as the mighty socialist economic system—some 95 percent of China’s economic assets—was partially dismantled and “privatized.”¹¹

Despite the Communist Revolution, creation of the party-state, control over the education system, creation of an enormous propaganda apparatus, and the continuous mass killing of those who would not get with the program the class nature of Chinese society remained. Elitism remained more than anywhere in the Communist Party that used its monopoly on power to expand its privileges beyond power to wealth.

President Xi's massive Anti-Corruption Campaign is just one more revolution in the Communist Party's fight against itself, to get its greed under control so it can maintain its grip on power. It was impossible to remove elitism even in the Mao (totalitarian) era by using class hatred, violence, and extreme centralization and indoctrination. Will Xi fare any better with a mixed economy, high tech surveillance, and party-wide discipline and punishment? It seems unlikely because the essential problems of desire and opportunity to abuse power for wealth and more power remain. With a huge population and government and the very essence of the Communist Party defined by its monopoly on power, they cannot eliminate desire or opportunity.

Predation arises from the Communist Party's class characteristics. Class formation has many sources. Specialization forms class; bureaucracy forms class; power forms class, even information forms class. According to Montesquieu, the solution to the problem of a predatory class is the separation of powers, the rule of law, and the participation of classes in a civil society. The Communist Party has rejected all three and Chinese history has not laid much of the groundwork needed to overrule it.¹² The Communist Party is a case study in predation: From top to bottom self-serving interest groups define its ethos.

After winning the civil war, the Communist Party went about implementing a "socialist system with Chinese characteristics," that is, fit socialism with China's collective cultural orientation. The goals were to solve China's "backwardness" and "modernize" the society. Local relationships, however, always define Chinese "collectivism." The coat of Marxian universalism never fit the body of Chinese culture, if it fit anywhere. The current Anti-Corruption Campaign, despite its massive effort, is just one more endless attempt to force Chinese culture into the straitjacket of bureaucratic rationality, the scaffolding for Communist Party organization and power. Family networks and personal relationships, however, define Xi's own career path. Mao tried to solve this contradiction and failed miserably. One cannot dismiss the past, only learn from it.

OTHER POWER GROUPS

Origins of Power Groups

Numerous people told me not to exaggerate the dominance of the Red Families in the Chinese political and economic systems. There are many other interest groups, many other contenders.¹³ In this section, I will explore the origin, number, and diversity of these other groups, including how the groups form and where they come from.

The consensus as to how groups form I will call the “career path” model.¹⁴ A Chinese professor of management describes his observations:

President Xi is involved in so many different decisions, especially promotions. Many of his old classmates or people from cities where he worked are being promoted. These are people he can trust. Scholars do not like this concentration of power model. Many times when you look at top people, you see they were assistants to previous top leaders or something like that. Relations are the key to this system.

A Chinese editor at a private online magazine used Zhou Yongkang, the imprisoned Politburo Standing Committee security chief, as an example. Zhou rose to power in Sichuan and later Petro-China. The people he promoted around him all had links to this province or this organization. A journalist at a state-run newspaper referred to Zhou as a “self-advancing guy,” carefully pointing out he was not a Princeling. At one point, he referred to Zhou as a “tool.”

Discussion

Two points are important in this last comment. First, political entrepreneurs such as Zhou are one source of power groups in China. By force of personality, skill, and luck, they can rise up the political hierarchy. Second, the journalist clearly expresses that Zhou lacked some status he attributed to the Princelings. Zhou had no family heritage. He was just an instrumental power seeker. He used power to gain wealth and wealth to gain power. This implies that the Princelings are symbolically more complex, they represent a more complex structure of meaning.

This structure of meaning, as expressed by the journalist, involves their bloodline. The Princelings are literally blood relations of the founders. Based on bloodline, the Princelings consider themselves “red nobility,” having the legitimate right to rule China.¹⁵ From the beginning of the People’s Republic, these individuals and their families were labeled “red,” not only red, but the essence of red. The redness of communism and the redness of blood have a close relation. Their grip on power was not the only source defining their redness. Nor was their use of power to claim and enforce their redness. Their redness and power merged with the imperial and Confucian traditions, which defined family as the cultural center of Chinese civilization.

This blending of culture and power was not uncontested. It obviously violated or was in conflict with the secular and egalitarian values of socialism. At first blush, one might expect the violent and ideological introduction of socialism in China to wash away or at least minimize the role of family relations in public life. This did not happen. Family relations as a power principle struggled with secular power dynamics from the beginning of the Chinese Communist Party.

During the Cultural Revolution, the original Red Guard units were children of high-level cadre and military officers. They explicitly advocated a “bloodline theory” of redness.¹⁶ Some of their aggressive and violent attacks took aim at other children who became targets merely because of their lower status (non-bloodline) redness. This battle between blood-defined Red Guards and nonblood-defined rebel units was an important factor in the horrific violence that took place during the Cultural Revolution. A famous essay written by a non-bloodline rebel writer carried the title “On Family Origins.”¹⁷ The essay rebuked the bloodline theory of redness, arguing it reintroduced the caste system into Chinese socialism. The essay gained wide influence among non-bloodline youth.

The Tiananmen Square protests in 1989 show a similar theme. The people on the square were not children of high-ranking cadre and military officers.¹⁸ The children of high-ranking cadre and military officers were receiving the lion’s share of jobs and income from the reform and opening. The students on the square were protesting their exclusion from these opportunities, despite the fact that some of the protesters were elite students at China’s top universities. Indeed, all the students were elite in the sense that only a small portion of the population attended university at that time. Yet Red Family connections were decisive in career advancement.

Since careers in the Communist Party primarily advance through the sponsorship of high-level administrators, and since established networks dominate elite power structures, new factions are not continuously rising up that compete with the core families and a small number of other established, elite power groups. In other words, while individuals do become powerful leaders through formal advancement and informal network building, they do not create new elite factions. The reason for this is that promotions do not take place in a vacuum. Career success is dependent on sponsorship by an established individual who is already part of an established network. When an individual attains a top position affecting the established structure of power by bringing along his unique network, stimulating the system’s secrecy and fluidity, his success was and his survival is dependent on the historically configured structures of power. Ironically, a system notable for its power struggles operates within established status hierarchies.

It is interesting to note the description of Zhou Yongkang as a “self-advancing guy” and a “tool.” It seems to suggest that he did not have strong group affiliations. He successfully managed his rise to the pinnacle of the Communist Party through administrative skill and deft political alliances, but in the end lost the competition with Xi Jinping and wound up in jail. He ended up in jail shortly after the Princeling Bo Xilai met the same fate during the start of Xi Jinping’s presidency and the start of the Anti-Corruption Campaign. Zhou and Bo were not only competitors of

Xi they were leaders of an opposing clique.¹⁹ Hence, it appears that Zhou was vulnerable after his Princeling ally, Bo, fell.

Xi was able to dominate the Bo/Zhou clique by having a stronger network of supporters and alignment of interests. Some people said and as is consistent with the data here, Zhou was too greedy and Bo, in his populist efforts, represented a threat to the Communist Party. The Bo/Zhou clique lost out to Xi because they did not have the networks to compete with Xi or, in Bo's case, had not created or lost through poor judgment or bad luck the depth of public support needed to protect him. Xi, on the other hand, is known for his discipline and long-term game. He was both less of a threat to other top power players and had carefully built his support base over years, so he had it at the exact point when he needed it.

Xi's behavior since he won the top job is instructive. He is reshaping the power structure primarily through a concentration of power *built around his own person* and the arrest of 1.5 million cadre and an attempt to replace them with loyal personnel. Notably, there have been few arrests among Princelings, Xi's own faction, while the Communist Youth League, a central competitive faction, has been decimated. Building an array of loyal underlings and filling the bureaucratic structure with them, is the essence of Chinese power politics. Nonetheless, the Red Families remain dominant.

Even when the power struggles take place within the same faction, people win and people lose, but the basic establishment does not change. During Xi's rise to power, there was a high number of Princelings appointed to high office during the 2007 and 2012 Party congresses. When Xi took power in 2013, four of the seven Politburo Standing Committee members and four of the eleven Central Military Commission members were Princelings.²⁰ But after the 2018 party congress, where Xi was able to change the constitution to remove term limits for the presidency, all the Princelings were gone, according to a Chinese law professor. In other words, Xi needed other power players to support his rise, but once he achieved it removed them to eliminate potential competitors. In this political culture, the "team of rivals" concept is not a viable structure because rivals have their own networks that can only gain with the leader's downfall. Loyalty is the highest virtue. Subordination is the most reliable relationship. Battles rage endlessly *inside* the elite structure, but for 70 years, the communists maintain the boundary outside vis-à-vis society.

Chinese Pyramids

Money is a very important motivation for Chinese power group formation. An American consultant who has lived in China for over two decades explained,

Bo Xilai went too far. He bought off two generals. He was a threat to others. This is why he went down. This is also why Xi cleaned out the top of the PLA. The PLA generals have a lot of cash from corruption. The PLA logistics head who was arrested was at the top of a pyramid. People below were corrupt and kicked money up to him for protection. The government is basically a crime syndicate. There are many pyramids. I mentioned to my [Chinese] wife there is no organized crime in China. She responded the police would not tolerate the competition. When the PLA logistic head was arrested, it took two days to take truck loads of money out of his house. This is why factions fight for power, to control these pyramids.

A Chinese executive at a Korean *chaebol* added, however, regular people staff most high-level positions, not Princelings. Hence, though it appears the Princelings dominate the central power structure in 2016, they compete with other successful power figures and the patronage organizations they built. There are too many nodes of power, economic resources, and creative opportunities for the Princelings to maintain a systematic monopoly. Instead, a highly competitive arena exists at elite levels structured by public/private hierarchically organized coalitions. Successful officials rise to top formal positions, expand patronage/protection networks under them, and use these organizations to battle other power leaders in a no holds barred competition for dominance and wealth.

Discussion

Certainly, the formal structure of government positions, the rules and responsibilities defining these positions and the relations between them, and the human and material resources they control are central for the concentrations and distributions of power in Chinese political life. However, power always requires informal relationships, especially in China, a civilization steeped deep in interpersonal relations and ritual.

In China, these two interpenetrating social systems of formal hierarchy and informal relationships create dense networks of secret relationships between dyads and groups competing through formal power, informal trust and information, and fluid agreements for dominance over others and the resources they seek or control. It is the essence of politics in China because the winners rise to top positions, install their loyal followers under them, and reap the benefits (which includes security), from these pyramids of power. The losers lose out, suffering loss of position, face, income, power, freedom, and even life. Chinese politics is not for the weak of heart.

The relationship between the formal and informal systems is extremely complex and historically specific. When Mao and Deng stepped down from the presidency, they remained the most powerful people in the country. Xi's significant power, however, undoubtedly originates in his

formal positions. Before assuming the presidency, he was just one of many high-level career politicians, but his implementation and wielding of a massive anti-corruption campaign has significant implications on both the formal *and* informal levels. He seeks not just to remove corrupt officials; he seeks to replace them with others *personally* loyal to him. Indeed, this is the essence of his motivation, because personal relationships are the foundation of political power in the Chinese political system.

Installing loyalists is a good snapshot of the two interpenetrating formal and informal power systems. On one hand, he installs loyalists into formal positions with organizational authority; on the other hand, the loyalists are loyalists because they have informal relations with Xi based on previous relationships, cooperation, friendliness, and trust. As Cheng Li documents, Xi's career was like a rolling stone developing connections and relationships as he moved through and up the political hierarchy over decades.²¹ The personal connections and trust he develops with others determine the appointments and promotions he surrounds himself with in his current position. He is attempting to build a system of relationships to advance his ambitions and protect his flanks.²² The Anti-Corruption Campaign is a formal means to control the formal and informal structure of power, motivated by personal ambition and executed through interpersonal selections such as the choice of Xi's highly experienced childhood friend, Wang Quishan, to lead the campaign demonstrates.

Why does this political system, in the words of the American consultant and many others,²³ take on the character of a crime syndicate, where formal position combines with informal network to generate vast amounts of illicit private wealth? It is not the political system per se, because corruption was much less of a problem during the Mao era, when the same party was in power with the same organizational structure.

It is after Deng Xiaoping reintroduces markets, legitimates private wealth, and begins the process of privatization that corruption skyrockets in the political system. Large numbers of elite officials became extremely wealthy and many, even most, officials below them, limited by their position and opportunity, exploited their own offices for financial gain.

In Russia, a somewhat similar descent into corruption took place when the country dismantled the communist system of collective ownership. Insiders, with relationships with the ruling politicians, took ownership of vast public assets at below bargain basement prices, becoming instant billionaires, the so-called "oligarchs." This system evolved into a political fiefdom when Putin came to power and turned the previously powerful oligarchs into an economic support pool for his own political goals and financial needs.²⁴ Putin and his core power group became extremely wealthy and powerful. The oligarchs were able to keep their

wealth as long as they stayed out of politics and channeled, for example, 20 to 30 percent of their income to Putin's group. Oligarchs at first resisted this arrangement but before long yielded to state power. All other autonomous institutions—parliament, media, and courts, for example—were brought to heel as well.

In China, the Communist Party did not dismantle or transform its relations to the state. They did significantly dismantle and open up communist economic structure, though they did not renounce or alter it in its core.²⁵ Putin, on the other hand, scampered to the top of a post-communist system that he was partially building as he took control of it. Indeed, Mao never achieved a level of domination in China that Putin exercises in Russia. Partially this reflects Putin's great skill at applying pork, propaganda, and fist in just the right amounts and right places to maximize his own power.

In China, on the other hand, because the CCP did not alter its relations to the state, there is much more continuity in power relations, power structures, and power habits than in Russia. Yet both systems, one post-communist the other partially post-communist, end up with sky-high corruption. For Russia, in addition to continuing the Russian communist tradition of corruption, an important cause is the successful takeover and use of state instruments of power by a clever political operative and his cronies trained in the old spy service. Extreme centralization characterizes the exercise of power in Russia.

In China, the situation is different. The Princeling (hereditary) class has been able to maintain a central power position through formal political position (including control over the instruments of violence) and control of key economic structures. At the same time they share power with other groups and established power organizations (for example, the populists) and political entrepreneurs who build power pyramids through interpersonal and political skill and control over cash flow, economic assets, and government jobs.

Chinese communism, then, is a complex political entity constructed out of revolutionary ideology, class, and greed. It is a great irony that the social carrier group that founded communism in China based on anti-class goals, not only immediately divided the population into a caste system, but functioned as a privileged class itself. It is this special class status and control over state assets, positions, and rules that is the basis for corruption in China.

Since the CCP reformed the economy but not the political system, that is, did not move to a democratic system of power sharing or a disciplined meritocratic system of evaluation, corruption has run rampant in China. Since the founders of the People's Republic and their families used their power and status positions as winners of the civil war to embed themselves at the top of the political system and to take control of core economic assets, the rest of the society struggles to join the party, so to speak.

Certainly all Chinese social classes share the same cultural heritage. This heritage—family first—is a major factor that led Chinese communism and Chinese society along with it into systematic corruption.

It is ironic that President Xi, a Princeling, has initiated a massive anti-corruption campaign to fight corruption that, in reality, is primarily a means for him to remove competitors and consolidate power. Even if Xi is committed to fight corruption and is successful (which is impossible without the rule of law), the root of the problem remains a fierce competition between entrenched power groups for control over the state and the rents it makes possible. Even if Xi, like Mao, is not a thief, they are both part of the communist dynasty whose history shows a dynamic between fanaticism and corruption as a means to domination.²⁶ This is why Xi is heading back down the Mao path: Since corruption has become a mortal threat to the Communist Party, he is re-stoking the embers of ideology.

Why is the CCP stuck between ideology and corruption? Because they have rejected the rule of law, the only other alternative. Since the Communist Party insists on maintaining a monopoly on power, which more or less means a police state, they must seek to gain legitimacy (a form of obedience) through shared ideas or payoffs. Mao so abused the shared idea option, Deng tried to reestablish Communist Party legitimacy based on opportunities for wealth creation. This led to systemic corruption and an enormous wealth gap. Either way, ideology or corruption, unlimited power sooner than later leads to the abuse of power.

Diversity of Power Groups

A Chinese professor of political science said there are three big factions in the government: Princelings, Communist Youth League, and the “political and bureaucracy group.” There are also smaller groups. Yet a Chinese professor of law said it is hard to define the key groups. There are many interests. He does not know how many people are in control of the government.

One reason it is difficult to define power groups is that they do not have clear boundaries. The Chinese editor working for a private online magazine said the line between different groups is blurred. When a young man joins a training program in the Youth League, serves in Shanghai, becomes part of the senior leadership group, and then leaves government to work at Petro-China, what are his loyalties, he asks. Is he part of the Shanghai group, the Youth League group, the Petro-China group, or associated with a particular leader or leaders? The lines are quite blurred. A Communist Party official agreed factions are hard to characterize. Interests and viewpoints shade off in many different ways, he said.

Nonetheless, the Chinese mentioned many different groups or organizations exercising power. It is worth noting them. Perhaps the most

important one is the “central government.” Though involving many people and possibly over-lapping with what the political science professor calls “politics and bureaucracy,” its reality is clear. A Chinese manager who works for a consulting firm catering to SOE and whose father is a SOE CEO said,

In China, if you want to work for an SOE, its best to work for a central government SOE. Usually these positions are filled by central personnel. If you work in Beijing, you are close to the central government. For example, when a colonel from central returns to his home town, a two star general picks him up at the airport because he’s from central. The general is nice to the colonel because the colonel has connections. Central people are a level higher. Everything is controlled by the central government. It is impossible to change this system.

It is not so much that “central” is a “power group.” The status and connections implied in central positions means that central administrators enjoy heightened status (and power) based on their position in the government structure. This gives them social, informational, and economic resources to exploit for financial, career, and/or political advantages.

It is not that central status and power goes unchallenged. Quite the contrary. A Chinese executive working for a multinational corporation (MNC) in Shanghai said, recently local governments have been too strong. They use money to benefit themselves, hurting others. President Xi is now moving control back to the central government. Many local government officials end up in jail. Xi is “rationalizing” the military too, he said. Another Chinese executive said the central government creates policies, but the implementation is in question because local officials do what they want. The outcomes can be opposite the original policy. Xi is trying to reassert control in the face of resistance, he said. If Xi survives, according to the Shanghai executive, the government can take a “wholistic approach.”

Central-local government relations have been in tension since time immemorial in China. If the central government is able to exert control over local governments, prestige and status will increase in the central structure of offices. This is not an all or nothing condition. At any point in time, some central administrators may attempt to exercise specific controls over specific areas; at the same time, other areas or other parts of the same area remain unaffected. Currently President Xi is prosecuting the Anti-Corruption Campaign across both local and central government simultaneously. Demoralization has set in on both levels. This suggests there will not be any lasting effects.

In terms of decentralization, major cities exercise a degree of autonomy. Shanghai is an example. The “Shanghai gang,” a major national power group, originates there. A previous PRC president, Jiang Remin, came

from Shanghai as well as many other central leaders including, going back further, the Gang of Four during the Cultural Revolution. It is common to hear that the Jiang Remin power group is unhappy with Xi because he is imprisoning some of the group's members and encroaching on their privileges.

Similar to Shanghai and other major city leadership structures as power groups, is the leadership structures in the provinces. It is common to hear that the Communist Party secretary for any sizeable political entity—towns, cities, or provinces, for example—has practically unchecked power within his domain. It is common to hear these leaders act like an “emperor.”

Finally, there is geographically based power, where people make a cultural distinction between coastal areas and inland areas. The coastal areas, especially in the south, have been more heavily influenced by foreign cultures, especially Western, and have developed more rules-based cultures than their inland counterparts. This is observable most clearly in economic policy and the courts. In both cases, inland officials are more apt to intervene based on political and personal interests.

Other power groups or at least strong identifiable interests congeal in the area of reforms. The Chinese editor at a private magazine described power interests in this area. He labelled one power group the “authoritarian capitalism” group. Their interests are to encourage the private sector, but only under Communist Party control. They want to diversify the economy beyond the SOE sector, to include private ownership and markets, but never to the point of challenging Communist Party rule.

The editor also identified “returnees” as having distinct interests, but said they represent both ends of the ideological spectrum. On the one hand, they respect Western thinking, sympathize with their American peers, admire how the West operates, and are attracted to American philosophy. On the other hand, some Chinese returnees increase their nationalism after living in the West, hate the way the West operates, believe the Western model does not fit China, and think that even though China is not perfect, its operation is best for the Chinese. Both groups represent “extreme ideologies” in the editor's view. He did not know which perspective is dominant. The two groups engage in a “tug of war” to influence public opinion and gain power. Given their diametrically opposed perspectives, only one group can advance.

In this context, the editor said it was his preference to categorize power groups in terms of generations. He mentioned three generations. Those born in the 1950s and 1960s he called “Red Guards.” Those born in the late 1960s through the 1980s he called the “reform and opening up generation.” He thought the reform group is more open-minded. The third group he called the “millennials,” born after 1980.

Lastly, the American consultant and others mention billionaires as power groups. They represent a threat or alternative to the Communist

Party. They have wealth and great status. The consultant expects the government to crack down on them "if times get tough." He mentioned the Soho CEO, whose wife is a Christian, speaks out against the government. These people tend to end up in jail, he said.

Discussion

In China, the central government faces endless challenges ensuring local and regional governments follow its directives. It is an age-old problem. A country with a vast, diverse land mass, huge population, great cultural diversity, vast economic disparity, and prone to focus on local concerns because of the above, is difficult to govern.

Equally important in terms of culture is not just the local diversity; societal culture, with its filial piety and hierarchical social form, leads to personalization and thus localization. Loyalty to family and friends is very important, but more generally Chinese bond in small groups through direct concrete relationships. Nationalism is the exception that demonstrates the rule. Daily lives are devoted to direct relationships, often over-riding general rules and principles. Just as national politics plays out through power factions, the central government faces resistance from local government groups all over the country. In the words of the Shanghai executive, policy formation in Beijing is one thing, policy implementation on the local level quite another.

Obedience of local to central is always a matter of degrees. Directives are redefined, reformulated, reversed, ignored, and partially implemented. Central has the power to force its will in selected areas, but does not have the power to force its will on every issue everywhere at all times. It must pick its domination.

According to the Shanghai executive and perceptions generally, the pendulum had swung too far toward decentralization under the Hu regime. Now Xi, much more ambitious and much more dictatorial, is cracking down on disobedience on a national scale. He has gotten everyone's attention. His preferred method for doing so is the massive Anti-Corruption Campaign. Local officials that do not follow orders can find themselves "under investigation." One unintended result of this campaign is that even though officials have decreased disobedience, they have not increased obedience; they have simply stopped working to avoid implication in corruption.

I will make two points in this context. One, it is difficult to handle a budget in China without having money go missing and thus become vulnerable to arrest. Two, more importantly, when Xi wanted to get control of the government he instituted a punishment campaign. The relation between central and local governments is one of power, not authority. Xi did not have the authority to ensure his local governments would carry out his orders. He immediately used a part of the police state, the Com-

munist Party Disciplinary Department, to gain control. Power, not authority or legitimate power, is the essence of Chinese governing. Central-local relations is the primary example.

It is true that Mao was able to militarize the whole country to an astonishing extent through severe ideological training, killing campaigns, and forced organization, but this proved neither effective nor stable. In fact, in the Cultural Revolution he tried to implement an entirely new government to stop “revisionism,” which also failed.

Another exception that proves the rule is the Great Leap Forward, where Mao’s totalitarian system *was* able to reverse the centrifugal nature of central-local political relations. The results were horrific. Instead of ignoring orders from central, local cadre murdered millions in order to accomplish what in effect were orders impossible to implement in a context where failure was impossible to report.²⁷ A similar scenario led to mass killing during the 1968 Clean the Ranks campaign. Cadres over-conformed at any cost.

Hence the interminable tension in central-local political relations has four possible outcomes: obedient bureaucratic implementation of the chain of command, some form of alteration of orders, over-conforming to impossible, irrational, or unethical orders, or, as is presently going on, going through the motions without initiative, basically work stoppage. Out of the four options, only the first is rational according to the system’s purpose. It seems likely obedience is seldom the dominant mode.

The two greatest events in the history of CCP rule are Mao’s militarization of society and Deng’s reversal and reform. Indeed, Mao’s use of violence to force his will on the country, Hu’s “shared” leadership model that led to a breakdown of discipline and direction, and Xi’s aggressive Anti-Corruption Campaign to reestablish central control, all show the immutable tendency toward decentralization in China and the standard resort to force to bring it under control.

Governing China presents a dilemma to the governor. On one hand, because of the tendency towards decentralization, central needs strong leadership in the provinces, cities, and towns. As was noted, the leaders of these sub-units typically have unchecked power. On the other hand, by granting great autonomy to sub-unit leaders, central has trouble bringing them under control. The solution to decentralization causes further decentralization. China has too many emperors. It is the result of the country’s size and the Confucian culture of personalization, the latter an interminable problem to the further rationalization of Chinese bureaucracy.

The Communist Party has tried to address this problem through standardization of bureaucratic procedures, education, socialization, indoctrination, daunting punishments, and higher pay and better benefits. Yet the chaos and disobedience continues. Some portion of this is a function of development. Increased wealth enables the government to put more

resources into cadre professionalization. The problem, however, is not just “development,” contrary to the opinion of many. There are many factors involved as shown.

It is interesting to note the editor’s comment on returnees as interest groups representing “both ends” of the ideological spectrum, liberalism and communism. It is also interesting that the two groups battle it out for *public* influence and political power. In my data on factions, interest groups, and power, few mention the public. This is not completely surprising in a dictatorship. Nonetheless, the enormous effort the Communist Party makes to control opinions and perceptions shows the great importance the public plays in Chinese politics. However, the importance is somewhat concealed, under wraps so to speak, because it is muted, manipulated, and channeled through Communist Party censorship.

The public is the grand prize for which the factions fight. It is the public’s wealth that government agencies and individual officials seek to acquire. The public’s power can make or break a dynasty. Mao was brilliant at communicating with the public, grabbing their attention, and motivating and directing them. After Mao, the Communist Party bosses concluded that this type of leadership is too dangerous for everyone including them. It puts too much power flowing off a single tongue.

Again, we see the Communist Party stuck between two models, the great leader and the fighting factions. The former leads to too much ideology, the latter to not enough. Is there a happy mean? Mao was a pathological leader who insisted from the beginning to the end of his career that violence was required for social change, to make the good society. He showed little remorse or even sympathy when his directives led to mass deaths.

The millions of people who followed Mao, even worshiped him, were equally pathological. In addition to the deaths, many more had their lives severely damaged. To reach the good society, they sacrificed family, education, safety, and ultimately self-respect. The good life never came. Sacrifice was all.

Clearly, it is very risky to allow so much power in the hands of a single individual, but fighting between factions in a winner take all game is also very destructive. The current Anti-Corruption Campaign has put 1.5 million people in jail. Is this because they committed crimes or because they are on the wrong team? The fact that Xi arrests few of his allies suggests the purpose of the Campaign is primarily for Xi to consolidate power.²⁸

The missing link in these two models is the public. The Communist Party does what it can to channel the opinions and activities of the public so they can control and extract resources from it. They have considerable success but not total success in this effort. Mao came remarkably close to total control by turning China into a laboratory for his experiments in collectivization. The Communist Party has backed off the Mao model, but

not that far. They do not want a freethinking public and wide-ranging debate. In fact, they want no public debate at all, but without in some way allowing the public to participate in the political process, China cannot escape the great leader-faction fighting continuum. So far, the results have been marked by high levels of either violence or corruption. The fundamental problem remains the Communist Party's nearly unchecked power.

THE STRUGGLE FOR POWER

How the System Works

Conflict between factions runs through Chinese history. According to the Singaporean doctoral student, the stakes are always high. Relatives are killed, cities are burned, palace coups take place, and thousands can lose their lives.²⁹ The tragic nature of Chinese politics has been memorialized in the "Curse of the Chrysanthemum Flower," an ancient poem by a rebel general, soon to become emperor. Interestingly, the Chinese government chose the poem for the closing ceremony of the 2008 Beijing Olympics. Chinese political power is about "accretion," the doctoral student said. There is constant and continuous efforts by competing power centers to dominate. Some group is always trying to rise; another group avoids falling. It is the "circle of Chinese history." President Xi wishes this game would stop.

The Chinese professor of environmental studies said no president does whatever he wants. He must balance powerful groups; he must keep society stable. It is a difficult task. Some people say China must move to democracy, but no one knows what will result. Even Deng Xiaoping could not say his true intentions because if he did he would not be able to implement them. Mao is as a model, the professor continued. He gave the presidency to Liu Shaoqi, but Liu did not follow Mao. Mao was unhappy with the change in direction. This led to conflict. Mao had Liu arrested. He was tortured and died in prison a short time later. Mao forbid Liu needed medical care. Xi demonstrates a similar process. He has made himself the director of many small groups. These groups are a parallel governing structure to the government; they are for exercising one-man control, he said.

Many Chinese think Xi is very courageous. A Chinese business school dean said Xi has arrested 200 generals. It is very unusual. He has stopped short of attacking the previous president, but he "made his point." An American journalist added the breadth of Xi's Anti-Corruption Campaign is unprecedented. He has reformed the powerful PLA. This was very risky. Perhaps he cut a deal to reform the army and the government but had to leave SOE alone to get support from the Princelings who

benefit from SOE, he speculated. Indeed, on January 11, 2016, CCTV announced the reform of the military: four divisions had been restructured into 15, strengthening Communist Party control.

Xi also attacked the Communist Youth League, one of the major power groups, according to the American journalist. Many Chinese mentioned the downfall of Ling Jihua, a high-ranking administrator and close confidant to President Hu Jintao, both of whom rose through the Youth League. Ling's son crashed his Ferrari at high speed with two naked girls inside killing all three. Ling tried to cover it up. It "came out" anyway and he ended up prosecuted for the cover up and corruption. Hu had to distance himself from Ling because of the scandal. The dominoes started to fall. With Ling taken down, his network, many of whom were from his native province, Shanxi, ended up in jail too. The loss of a top leader and his network led to a general weakening of the Youth League that resulted in yet further prosecution of its members. Even the current prime minister (also from the Youth League) could not stop the carnage and was himself weakened by the League's weakness.

A Communist Party official described another mechanism for resolving power group conflict. In this case, the two power groups are both Red Families and they are battling over control of the metals industry. One family controls the largest metals SOE, the other family the second largest. They are trying to take over each other's SOE. The government, however, seeing that the two SOEs are inefficient and run for the benefit of the two Red Families, merges the two SOEs. The merger solves two things, according to the official. It reduces the role of the Red Families in the SOE sector because two Red Families battle it out for control of one SOE and one family loses and departs.

This is an interesting story because the State Council approves mergers and the State Assets Administration implements them. These two powerful government organizations are involved in the merger negotiations. After much back channel discussions, they made the decision to merge, the official reports. The criteria determining the decision are "efficiency and pork." "Pork" refers to the distribution of benefits, but when I ask the official how winning is determined, he said he does not know. He suggests family size and "heritage" are considered.

When one family wins, they fire or demote the managers representing the losing family. So one family ends up stronger because it controls a larger SOE that is now in an industry with less competition. The official claims the State Council does not take sides when dealing with conflicts between Red Families. By forcing the merger and waiting for a winner, it accomplishes its goal of reducing Red Family control in the SOE sector, according to the official.

In 2015, another forced merger occurred between two big rail SOEs. The government announced the merger after they indicted the minister of railways for corruption. Thus, someone high in government wanted a

merger in railways so indicted the minister, or the indictment gave someone in government the opportunity to force the merger for some reason. Power group dynamics are involved in either case. Efficiency may or may not be a goal in either case. Though given the massive economic stakes involved in these mergers, it is hard to believe power group interests are not always involved as well as efficiency considerations.

Discussion

Maintaining social order is the central purpose of all political systems. Contention for dominance and resistance to the exercise of power are universal patterns in political life. These patterns are clear in the data presented here. Power centers are numerous, always rising and falling, with an unending contest for dominance. The ruler in this situation is constantly at work fending off attempts to undercut him by undercutting his enemies before they undercut him or attempting to work out compromises so that allies come out stronger and enemies are weaker. Achieving the purpose of politics, social stability, is a challenging art always in danger of failure and in the best of times gaining a few more wins than losses while keeping a wary eye on looming threats.

For President Xi it is not the best of times. Upon taking office, he arrested 200 generals and began a systemic review of the powerful military resulting in a major restructuring. The interviewees were indeed impressed. They proclaimed these endeavors were high risk.

The arrests of the generals and the restructuring of the military took place more or less simultaneously with the arrests of Bo Xilia and Zhou Yongkang, two powerful competitors of Xi. Rumor has it that Bo's close relationship with some southern military units came close to initiating a *coup d'état*. Given Xi's immediate high risk restructuring of the military upon taking office, there is most likely more than a little truth in these rumors. Why else would Xi take these risks?

The attack on the military was part of a broader (massive) Anti-Corruption Campaign that arrested and disciplined millions of government officials. The American journalist speculated that Xi struck a deal with the other Princeling interest groups to go easy on SOE where they have deep economic interests, while "cleaning out" and restructuring the military and government. This too probably has some truth in it because despite repeated announcements of SOE reform and repeated proclamations about the dire condition of the SOE sector—CCTV calls them "zombies"—reform in this area has been slow to nonexistent. There is little evidence as of August 2020 that shows progress resulting from Xi's 2012 commitment to make markets the driver of the Chinese economy. In fact, he has doubled-down on strengthening and protecting SOE.

Xi did take a strong action to reduce SOE executive salaries, in some cases up to 50 percent. This relates to the Anti-Corruption Campaign.

High salaries led to mistresses and mistresses led to corruption. Maybe it was a return to socialist values, where he reduced the income gap between executives and workers. Salaries of lower level workers were simultaneously increased. The savings could have gone to the government, the Princeling “owners,” or put back into SOEs for restructuring, including downsizing, which has not happened. The fact that Xi increased salaries for workers, made cuts for executives, layoffs were avoided, and SOEs were protected, shows Xi’s “socialist” calculations in search of “social stability.”

The Communist Party official’s comments on the merger between the two SOEs in the metals industry, however, provides a more complex view of the power dynamics involved. First, it introduces formal government agencies with formal goals into the power struggle. The official portrays the agencies as parental figures representing government/societal interests, while he portrays the Princelings as selfish children fighting for their own narrow interests.

According to the official, the agencies seek to implement government policy, which is to increase SOE efficiency and competitiveness. The Princelings represent obstacles to the government’s goals because they are fighting for control of the SOEs merely to extract private wealth. This is interesting because these are “state owned” organizations; the Princelings do not legally own them, but their control over these state assets is tantamount to ownership. The Princelings either hold the top management positions or their representatives do. All parties accept the traditions of control that in effect give the Princelings “ownership” rights.

Even though these traditions do not have a legal basis, the Princelings have the power to enforce them because even though the state agencies want to restructure the SOEs they proceed indirectly and with caution. The agencies do not try to take control of the SOEs; they force a merger between them. In so doing they do not favor one Princeling faction or the other. There is much backroom negotiations in deciding how to structure the merger. Hence, Princeling “heritage” and power influence the structure of the merger. “Heritage” means red status, that is, the family’s status in the Communist Party.

Once they create the merger structure, the state agencies back-off and let the Princeling factions fight it out for control of the organization. As in Chinese politics generally, it is a winner take all competition. The winner removes the losing Princeling faction from the organization or demotes them. This will end their ability to extract wealth from the SOE.

Most surprising of all, the Communist Party official portrays this outcome as a reduction in Princeling involvement in the SOE sector because now one Princeling family is involved, not two. It is true they have removed one family from SOE ownership, but the other family now controls a larger SOE in an industry with less competition. Princeling control has actually increased.

My evaluation takes a market competition perspective, but the government evaluates it differently. They believe, according to the official, one Red Family is less family involvement than two Red Families. In terms of market control, this is not true, but politically, inside China, it is true. In other words, this story is about prying a pair of hands off the economic wheel. By having to deal with one family instead of two, the government apparently increases its control over the economy. SOE in China is primarily not about monopoly or even government, but about families and the rents they collect. The official implies that the government's goal is to get to zero families.

Yet the main point of the story, according to the official, who is in his mid-thirties and Western educated, is the government's parental and skillful management of the merger to increase rational stewardship of the economy. In other words, the Princlings, in this case, pursuing their own wealth, must contend with bureaucratic power groups pursuing efficiency and broader government goals. This is not new but what is new is the government having to manage a 13 trillion dollar economy that will move forward or backward depending on its international competitive capacities. The old ethic that the Princlings get rich by making everyone else poor is a problem that at least has the leadership's attention, according to the official.

This story suggests several other points. First, a combination of interests, including Princeling families exercising wealth extraction and state agencies pursuing government goals of efficiency and competitiveness, control the SOE sector. However, since Princlings have high status within the government, often hold top government positions, and develop personal relationships with other high-level government officials, formal government organizations are highly compromised. This is a key reason why there is so much corruption in China, it is difficult to stop, and people commonly characterize the government as a criminal organization. It is criminal in the sense that high-level officials use formal government authority to provide opportunity and protection for the extraction of wealth from public assets.

Second, the story portrays government agencies pursuing government goals. This is perhaps what the Chinese political science professor meant when she referred to one of the major power groups as the "politics and bureaucracy" faction. Henry Paulson, who had extensive experience working with high level Chinese government officials as CEO of Goldman Sachs and later Treasury Secretary, praised the integrity and competence of his Chinese counterparts.³⁰ Clearly, however, integrity and corruption mix in these organizations, as many high level executives from these organizations are in jail.

Additionally, the Princlings are not just in SOE, they are in all spheres of society. Much of the widespread corruption is *between* state actors and private actors. Indeed, the *families* of government officials,

Princelings and others have accumulated great wealth from corruption. The Communist Party official who presented this portrayal is either exaggerating the goodness of the state organizations of which he is a part or red washing the Communist Party for a book written by a foreign researcher. He is after all a Communist Party communications specialist.³¹

Nonetheless, as Paulson points out, the Chinese government does create some good policies and state organizations do try to carry them out. In this sense, state organizations are a public interest group in the battle to govern China according to government policy. The problem is without a strong rule of law and with a strong rule by man, any policy can be ignored or reinterpreted at any time. While there is a battle between interest groups to create a policy, the battle does not stop when they create the policy. It continues on to the policy's implementation, or not. As long as powerful individuals can ignore the law, policy implementation will be limited to areas supporter's control. This is why the Chinese political system is so fluid, chaotic, unpredictable, and corrupt.

Third, the fact that state organizations were strong enough to force a merger, but not strong enough to enforce their efficiency mandate on the Princelings is telling. The punch line in the story is that the state agencies were able to reduce two Princeling families to one, thus reducing the number of Princeling families in control of SOE. Given that the one left controlled a larger pot of pork, shows how humble an accomplishment this was. Yet the official portrays it as progress.

Why is this progress? He is saying one Princeling family is better than two Princeling families. It is a good thing to remove one family's claws from the SOE's finances. Perhaps it is easier for the state organizations to work with one Princeling family than two Princeling families. For example, the government's plan to develop some SOEs into internationally competitive state champions would be more difficult the more Princeling families are fighting with each other over control. Put simply, perhaps one family is closer to zero families than two families.

In any case, this analysis shows that the Princelings have integrated their private interests so deeply into the SOE system they will not be removed any time soon. Thus, efficiency is far from the only goal SOE pursues. It is true the more efficient SOE becomes the more wealth it will create, thus benefiting the owners. The Princelings, however, have not needed efficiency to gain great wealth. One reason the Princelings gain great wealth from SOE is because the government provides SOE with politically protected monopolies. Some SOEs generate wealth whether they are efficient or not. Indeed, if the efficiency goal becomes too strong it would undermine Princeling extractive goals, because monies would need to be reinvested for technology, training, long-term growth, and so on. Demands for efficiency would also go against the Communist Party's interests in using SOE for a variety of *political* goals. For both reasons, there are limits to economic rationalization in the SOE sector.

Unfortunately, this is not the worst of it. The Princelings make money from SOE not only when they are not efficient, but even when they are losing money. The reason is government-owned banks continue to lend them money. Some portion of this money passes through the SOE to the Princelings and other high-level officials. Again, we see a criminal dimension to the Chinese government. In these cases, the Princelings (and others) use the SOE as a conduit to control transfers of money from the state treasury to their pockets. This is not the complete picture because SOE also has large numbers of employees receiving salaries and benefits, so a large number of people benefit from these financial transfers. Nonetheless, government statements continue to refer to some SOEs as “zombies” that must be improved or shut down because of their cost to the government and society.

The situation is a problem for the Communist Party leadership because they need profit-generating SOEs to maintain employment levels, maintain social stability, pursue their ambitious goals, and ultimately remain in power. Pressures for efficiency are real and they are a factor in arrests for corruption and continuous threats to downsize employment levels. As this analysis demonstrates, however, efficiency is not a one-way street in this political system. There are deeply entrenched countervailing forces.

The Three Laws

Chinese political organization is essentially unstable. Perhaps this is why Chinese politics and philosophy put such a high priority on “harmony.” A Chinese professor of management explains,

There are many power blocks in the government and these power blocks fight with each other. Now people are worried about Jiang Zemin [president 1992–2002] because his family and friends are unhappy with the Anti-Corruption Campaign. We cannot have democracy. We can't follow Southeast Asia. It would be good if we turned out like Taiwan. Taiwan is great. But because we are so unstable we need a strong leader like Xi. It is good that Xi is concentrating power and is very strong. Xi will make the new Cultural Revolution.

A 40-something Chinese lawyer agreed the system is not stable. He said people are waiting to see how long Xi stays in power. Xi's enemies will remove him or he will violate the 10 years maximum presidential term and stay longer.³² He thought a very small group in the government actually makes decisions, “maybe 5–10 or even three.” A Chinese CEO with experience and education abroad, added Xi has many enemies and enemies abroad will work with internal enemies to undermine him. Anti-China people in the United States will side with his internal enemies, he said.

The first law of Chinese politics—the multitude of independent power blocks is essentially unstable—leads to the second law of Chinese politics: The leader must destroy his competitors and consolidate power. A Chinese professor of political science said a faction must get rid of opposing factions because opposing factions will work to undermine him. A Chinese professor of sociology added there are not two possible outcomes in Chinese politics, but 100 because power blocks are so diverse and fluid. Any president, he said, must consolidate power.

The law of power consolidation leads to the third law of Chinese politics: constant change. I asked a Chinese business school dean why there is so much change in Chinese politics. His answer, because the new leader must say “I am here.” He must put his own people in charge.

Discussion

There are three laws of Chinese politics: small group (family) culture leads to a plethora of factions, intense competition between factions forces the leader to attempt to gain control by consolidating his own power, the resulting battle creates a political environment of unending secrecy, conflict, and change. Many people, Chinese and American residents alike, including those attached to liberal values, strongly believe governing China requires a strong man otherwise the centrifugal forces would lead to disintegration.

In the management professor’s quote, he expressed concern that the unhappiness of the Jiang faction could lead to rising conflict and social instability. Yet even the professor concludes China needs a strongman. Democracy would not work in China. China is too politically unstable for democracy. His declarative statement that Xi “will make a new Cultural Revolution” is surprising in its matter of fact, though it is a widespread worry. He perhaps meant it as a model for factional dominance through society-wide ideological indoctrination and enforcement, rather than a fanatical leftwing purity campaign militarizing youth and destroying the government, but the difference is only a matter of degree.

An important point is that many Chinese believe their leaders might do anything. Social stability could dissolve at any time. As the lawyer remarks, a very small number of people make decisions. Rules mean little. The population are merely observers, an audience of the Communist Party factional drama. The drama is about conflict. Who will win and who will lose? Since much of the acting is off stage, the population never knows what is going on until something becomes public; nowadays this usually means who has been arrested for corruption and other criminal acts.

It is the very essence of Chinese political culture that it is unpredictable. There are too many self-interested power groups pursuing their interests in secrecy for any one person or group to have knowledge of the

whole system. What is certain is the top person or faction will try to stay on top by weakening their competitors. The axis of power is defined through attempts to concentrate power on one end, and manifold attempts to thwart this effort at the other.

Consolidating Power, the Long Game

For a number of reasons consolidating power by arresting competitors along with all their networks and replacing them with trusted “friends” and subordinates is necessary but not sufficient to rule in this system. A Communist Party official explains,

The struggle over the Anti-Corruption Campaign will take years. It’s not about replacing “A” with “B.” It can’t be done with a snap of the fingers. You send your guy into an organization and he’s marginalized and then kicked out. There are 34 provinces and administrative regions. It’s a back and forth process. Even in the 1960s, one of Mao’s chief officers wiretapped Mao’s rooms. It was a big scandal. The level of contention is deep in the hierarchy. Nixon came to China in 1972. He tried to compliment Mao on the changes he made in the world. Mao responded, “I only changed a few areas around Beijing.”

You can’t just change an organization by replacing some guy with your guy. There are too many people involved. You must have people around who know what you want, before they can carry out what’s next. Putting in the top person does not change the people under him. It will take time for the top person to get control of the organization.

The new person will have to make more personnel changes to deal with resistance in the organization. The outcome is uncertain. He must maintain the hierarchy’s integrity. It will take time for new legacies to emerge. Implications will emerge in 10–15 years. This is going on in thousands of places in businesses, government, and the military.

Xi is bound by history, bound by the Mao experience. Many positions remain open.

Discussion

Organizational culture change on a massive scale is difficult always and everywhere. In China, it is additionally difficult because organizations are self-protecting. The same *guanxi* relationships structure organizations that structure Chinese society. Indeed, government organizations are often staffed by multiple family members; or family member friends; or friends of friends of family members. Stout resistance based on sub-group bonds permeates the system. Change is difficult. Firing individuals is delicate because it results in broader organized resistance from the person’s network. The wrong move can destroy organizational effectiveness. Balanced decisions taking into account the new leadership’s interests and the interests of the employee networks are required. The leader cannot fire everyone and run the organization too.

There are several additional challenges facing the new leader's efforts to consolidate power and build a new team. First, relations between factions are fluid. People move back and forth between factions depending on issues. In "consolidating" power, the new leader faces different levels of uncertainty with different individuals regarding loyalty and reliability depending what issues and opportunities arise over time. This is why leaders spend a lifetime developing relationships and immediately upon taking a new position move their *most* trusted associates into key positions under them. Loyalty is extremely valued in Chinese politics; it is probably the key virtue for career success at the highest levels.³³

Second, various officials are allies of various groups, but the leader cannot know all the alliances of all the people he needs to build his team. The leader, and the Personnel Department which keeps extensive files on each official partly to know as much as possible on exactly these types of alliances and relationships, faces uncertainty as to exactly who is allies with who and who protects who and who supports who.

The extent of the challenge is enormous in a government involving tens of millions of officials. A Chinese consultant who works with SOE provides an example. You might hire person "A" in your SOE in Shenzhen, but A's uncle works for a private company in Beijing. The uncle's boss in Beijing is your boss's sister. Now anything A hears or observes in your department is going to end up, via the Beijing connections, with your boss in Shenzhen. The consultant says in the huge central government SOEs you can never know who connects to who. The leader must be very careful what person he or she hires.

The situation takes on additional complexity given the extensive number of hierarchical levels. Top leaders might agree on a policy formulation, but implementation unavoidably involves multiple lower hierarchical levels. One or more of these levels may have interests contrary to the policy or be involved in another project or commitment that leads to an unwillingness to implement the policy as formulated. The classic example of this is in the relation between central government and local government. A similar scenario, however, can easily develop within the vast central government hierarchical structure.

The upshot is that bureaucratic organization in China has a strong local orientation. Some organizations are more local than others but despite the strong emphasis on hierarchical relationships in Chinese culture there is a strong tendency towards decentralization in Chinese bureaucracy because concrete relationships are stronger than general rules in Chinese culture. This puts cultural limits on the exercise of power. As Mao said, he only accomplished a few changes around Beijing.

This is the problem Xi faces in consolidating power. Arresting one executive and replacing him with a trusted associate is only the opening move in an organizational change Chinese chess game.³⁴ The associate will need to do the same thing inside his organization. He needs to re-

place not only others he does not trust or who will resist his leadership, but he needs to reward his own network with jobs or it will deteriorate. Nonetheless, he cannot be a wrecking ball. He could easily destroy organizational morale or stimulate widespread resistance, risking the change project. It is a delicate process because of the strength of subgroup bonds and the broader networks in which they are embedded. If the leader needs groups, he must respect them or they will not work or work well. It takes time to install associates, build a new team, get buy-in from the organization for the new team and new direction, and implement the process of change with all the uncertainties that involves under the best of conditions.

The Communist Party official's comment that implementation of Xi's new direction will take "10–15 years" to show results given the society-wide scope and the nature of Chinese organization just discussed, is sobering. For one thing, it suggests the plan is not only huge but also long-term. Further, as Cheng Li notes, because the change effort is so radical and broad, the future of Chinese society is uncertain.³⁵ Nonetheless, Xi's team not only has a long-term plan to maintain Communist Party dominance, they seek to create a particular China.

No one says implementing the plan will be easy and Cheng Li is certainly right that the future is uncertain given the scope of the change effort in such a huge, diverse, and complex country. Importantly, "many positions remain open." This is not only because of the caution needed to avoid stimulating resistance to change, but because Xi is "bound by history and bound by the Mao experience." What does this mean?

The violence and excesses of the Cultural Revolution left the population disoriented, fearful, distraught, and in some cases traumatized. Given this cultural and psychological backdrop, Xi risks stimulating resistance if he is not careful. Passive resistance is indeed happening. Revolt is never off the table with so many poor and unhappy people.

Mao's great importance, I believe, is that he told the Chinese people they did not have to be bound by the past, by custom. He was a leader of release. He was a transgressor. This is the core meaning in his "permanent revolution." His "socialism with Chinese characteristics" was important, but his deeper message was destructive. It was a message of revolt. It came in a period of great cultural and social distress, as do all great leaders of change, but Mao was a false prophet, as he taught destruction more than construction. Kill now for perfection later is not leadership. Leadership requires moral controls.

When he released a distressed society from what was left of their moorings and encouraged violence, barbarism was the result. This dark cloud hangs over Xi's change efforts. Will he lead into barbarism or rebuild China's moral heritage? At this point, it is hard to tell. His major policies—anti-corruption and One-Belt One-Road—are power consolidation and economic development. Despite the great economic develop-

ment that has taken place, hidden below the surface are the repressed memories of mass insanity. As Xi tries to recharge the communist ethic, he runs the risk of awakening its fanatical history.

Reading the Tea Leaves

There are several key characteristics of China's political system: High importance of personal relationships; low importance of formal rules and institutions; significant social complexity given the large and diverse number of people involved; need for leaders to disguise their intentions to minimize sabotage; and high levels of uncertainty due to decision-making in such secret and antagonistic contexts. Hence, many people refer to China's political system as a "black box," even to those leading it. For example, there is a wide variety of opinions as to exactly what President Xi is trying to accomplish with the Anti-Corruption Campaign. Many people told me that the reason Xi was arresting officials outside the legal system was so he could consolidate power to implement the rule of law. I found this very hard to believe, but the problem is clear. In a system where secrecy is pervasive, formal rules often manipulated or ignored, and the media used to conceal or advance this or that power block's goals, people find their own devices to figure out what is going on. One Chinese executive told me Xi "has no idea why he is consolidating power." I found this much more believable than he was breaking the law to install it.

One Chinese CEO was certain the Tiananmen Square massacre was the result of a battle between two top Communist Party officials. In his worldview, the machinations in the secret world of top leaders explain everything. Shortly after the government announced that Xi Jinping would become the next General Secretary of the Communist Party, he disappeared from public for 14 days. I heard several explanations for why this occurred: an assassination attempt involving poison, a threat to receive more power or he would withdraw, and a back problem that apparently is what he said.

A Chinese law professor told me rumors are better than no information and often turn out to be true. Bo Xilai supposedly watched the evening news every night to decipher the outcomes of political battles and thus the future direction of government policy. For insiders, with the right amount of context, what is reported and not reported can offer insights.

Discussion

For 2,000 years, the Mandarin ran China with absolute power, having unassailable control, short of revolt, over the lives of the vast majority of people. The small number of Mandarins were highly educated; the rest of

the population was not. The Mandarins were administrators, judges, and moral leaders. They were at the peak of a steeply hierarchical social system, whose central cultural value was obedience. The Confucian culture they enforced left the population, according to Balazs, respectful, humble, deferential, docile, and submissive.³⁶

The Communist Party cadres still control the education system. While they no longer exercise complete control over the legal system, they dominate it at will and stand above it. The Confucian ethic, under pressure from Western capitalism, democracy, science, and individualism, and by the Communist Party's great effort at implementing socialism, has been battered for two hundred years. Yet in this plethora of cultural forces, and despite an intense attack on it during the Mao period, Confucianism, undoubtedly altered by many other cultural forces, is probably still the single strongest cultural force in China today.

It is inside this tradition, backed by a vast propaganda apparatus and violent police state, that we must understand the population's naivety, passivity, and ignorance about their government. As the police state watches over them and propaganda apparatus molds them, their acceptance of their government and even admiration of its leaders continues an ancient tradition. With little reliable information and a general uneasy feeling that chaos or clampdown, or both, could be around the next corner, they go about their apolitical lives. They are now focused on creating wealth as best they can before that famous metaphor, the "window" closes.

CONCLUSION

After witnessing the Princeling takeover of the government in 2012, it was surprising to see many of the princelings gone in 2017. What appeared to be a faction move against other factions, ended in a Xi Jinping move against all competitors, including his fellow Princelings. While Xi Jinping came into power at the head of a Princeling resurgence, he consolidated his power with few such alliances. What can we learn from this?

Power in China is highly competitive. So competitive Xi is unable to tolerate any potential competitors in positions of power. The system appears to work with power consolidation as its core principle. Of course, Hu Jintao did share power and tried to run a collective leadership model. By all accounts, this was not successful; in fact, it led to a decline in political order and a jump in rent seeking. Xi came in as the new sheriff in town intent on reestablishing order and discipline.

Still, using the Anti-Corruption Campaign as his main means to reconfigure the Party, competitor factions, notably the Communist Party Youth League, took the brunt of the attack not the Princelings, but this

was step one. In step two, Xi removed many Princelings from top leadership positions. Part surviving in a competitive frenzy, part seeking to implement a singular vision, and part a personality that seeks unchallenged control, Xi Jinping's stepped up dictatorship is not the exception but the rule in Chinese politics. Hu Jintao was the exception. Xi connects, as many have commented, with Mao's emperor model.

This model of domination has deep roots in Chinese history and culture. The Confucian filial piety ethic, despite its goal of a solid structure of mutually obligatory hierarchical levels, bottom to top, top to bottom, was unable to stretch the family structure over the entire political machine with much success. Instead, strong families stretched to strong networks, but not much beyond. The problem is the concrete relationship; it is not good for stretching. The core of Chinese society is small groups.

This resulted in a faction-based political system that is inherently unstable structurally, despite the great acceptance of authority in the population. Stability always requires the emergence of a powerful leader at the top to stem the centrifugal tendencies inherent in the model. Yet despite a history of crises and revolt, the model did not change until the twentieth century, mostly under external threats. The dictatorial model endures because the Confucian model is deeply established. Even with the downfall of the imperial system, the new communist system continues the dictatorial tradition.

The inherent instability of the faction (family) based system, led to one of two outcomes: Dysfunctional fighting and breakdowns (the warlord complex) or the rise of the dominant man. The latter is the current condition, as Xi is successfully consolidating power by subduing the factions, including his own. He must subdue his own faction or the fracturing will start anew because of the primacy of relationships.

Because political relations are conflictual or centralized under the heavy hand of the dominant figure, the Chinese political system is prone to change. The strongman can bring more or less stability depending on his leadership qualities, but immense concentrated power in a single individual always means change is only an impulse away.

NOTES

1. Niccolo Machiavelli, *The Discourses* (New York: Penguin Books, 1983 [1532]).
2. Hannah Arendt, *On Revolution* (New York: Penguin Books, 2006).
3. Weber defines "patrimonialism" as a complex administrative staff under the personal control of the chief. The chief receives his position through inheritance, but different from patriarchy he recruits his staff and exercises his power broadly beyond his direct dependencies. In the extreme case, he achieves close to absolute power. Max Weber, *The Theory of Social and Economic Organization* (New York: The Free Press, 1947).
4. Donald J. Munro, *The Concept of Man in Early China* (Ann Arbor: University of Michigan Press, 1969).

5. Cheng Li, *Chinese Politics in the Xi Jinping Era* (Washington, DC: Brookings Institution Press, 2016).

6. The Mao era significantly reduced economic inequalities within bounded economic units. For example, a factory manager made only two or three times the pay of an ordinary worker. Martin King Whyte, "Myths of the Social Volcano: Popular Responses to Rising Inequality in China," in *The People's Republic at 60*, ed. William C. Kirby (Cambridge: Harvard University Press, 2011). Housing, food, education, and recreation were all similar. Side jobs and side income were forbidden.

7. Guobin Yang, *The Red Guard Generation and Political Activism in China* (New York: Columbia University Press, 2016).

8. Yang, *The Red Guard Generation and Political Activism in China*, 81

9. Andrew G. Walder, *China Under Mao* (Cambridge: Harvard University Press, 2015).

10. Yang, *The Red Guard Generation and Political Activism in China*.

11. This was the primary cause of the Tiananmen Square protests. Richard Madsen, *China and the American Dream* (Berkeley: The University of California Press, 1995).

12. Charles de Montesquieu, *The Spirit of the Laws* (Cambridge: Cambridge Press, 1989 (1746)).

13. Cheng Li lists identifiable groups as Hu-Li camp, Jiang-Xi camp, *tuanpai* (populist coalition), Shanghai gang, Tsinghua clique, and Princlings (Li, *Chinese Politics in the Xi Jinping Era*). Callick adds Peoples Liberation Army, All China Women's Federation, the party schools, and at the time up and coming Shandong clique. Rowan Callick, *The Party Forever* (New York: Palgrave Macmillan, 2013). The groups clearly overlap.

14. Cheng Li documents the career path of many top leaders in detail. Li, *Chinese Politics in the Xi Jinping Era*. Perhaps his key point about what is essential for career advancement into the top levels of the Communist Party is *mishu* relations, becoming the personal secretary, chief aide, or bodyguard for a top leader. Heilmann makes the point that the battle over promotions is synonymous with the battle over power. Sebastian Heilmann, *China's Political System* (New York: Rowman and Littlefield, 2017). Hence, loyalty groups are at the center of Chinese politics.

15. Heilmann, *China's Political System*, 186.

16. Yang, *The Red Guard Generation and Political Activism*.

17. Yang, *The Red Guard Generation and Political Activism*.

18. Madsen, *China and the American Dream*.

19. Tom Mitchell, "China ensures Zhou Yongkang trial sticks to the script," *Financial Times*, June 12, 2015.

20. Li, *Chinese Politics in the Xi Jinping Era*, 269.

21. Li, *Chinese Politics in the Xi Jinping Era*, 269.

22. This is a good definition of power. Power is cooperation among people in the pursuit of shared goals (Arendt, *On Revolution*).

23. Philip P. Pan, *Out of Mao's Shadow* (New York: Simon and Schuster, 2008).

24. Karen Dawisha, *Putin's Kleptocracy* (New York: Simon and Schuster, 2014).

25. Actually, Xi is going in reverse. He is "intervening aggressively to protect the economy from the vicissitudes of the market, shielding it from foreign competition, and more actively intervening in economic decision-making at the firm level." Elizabeth C. Economy, *The Third Revolution* (Oxford: Oxford University Press, 2018), 13.

26. It is doubtful that Xi has not used his political power to generate great wealth. A report by Bloomberg estimates family wealth, most of it held by his older sister, to be worth hundreds of millions of dollars. Malcolm Moore, "China's Incoming President Xi Jinping's Family 'Has Wealth of Hundreds of Millions,'" *The Telegraph*, June 29, 2012.

27. Walder, *China Under Mao*.

28. Cheng Li believes the primary reason for the Anti-Corruption Campaign is to "quell public resentment over the convergence of political power and economic wealth." Li, *Chinese Politics in the Xi Jinping Era*, 23. But he only uses five high level

cases as evidence for this view and these include two of Xi's primary competitors for power.

29. Historical examples provided in William T. Rowe, *China's Last Empire* (Cambridge: Harvard University Press, 2009).

30. Henry M. Paulson, *Dealing with China* (New York: Twelve, 2015).

31. In speaking with the official, I had noticed that upon graduating university he received one plum position after another. I had also met his father who was a high-level executive in the government. He is very much a product of the same backdoor system that he is criticizing in his SOE merger story. Hence, in addition to red washing, his story of improving bureaucratic rationalization is probably influenced by his career goals of accomplishing just such rationalizations.

32. Two years after this interview, Xi pushed through a change in the Chinese constitution making his presidential term unlimited.

33. Li, *Chinese Politics in the Xi Jinping Era*.

34. "The *wei qi* player needs to assess not only the pieces on the board but the reinforcements the adversary is in a position to deploy." Henry Kissinger, *On China* (New York: Penguin, 2012), 24.

35. Li, *Chinese Politics in the Xi Jinping Era*.

36. Etienne Balazs, *Chinese Civilization and Bureaucracy* (New Haven: Yale University Press, 1964).

TEN

Parade, Party, and President Xi

The Communist Party concluded that Mao was right 70 percent of the time. Unfortunately, the remaining 30 percent resulted in some of the greatest suffering in human history. The Communist Party does not address the more important question of good and evil. Was Mao good 70 percent of the time and evil 30 percent of the time? When the question of effectiveness changes to the question of morality, the full weight of leadership comes into view. When a man is capable of evil, of an utter disregard for the well-being of others, the concentration of power in leadership becomes a fraught matter.

In this chapter, I examine the leadership of Xi Jinping based on data from the business and professional classes and public information during the year I lived in Beijing, 2015 to 2016. I begin with a look at the politics of the massive military parade that took place in 2015 and Xi's performance in it and go on to examine Xi's relation to the law, his political goals, and moral leadership.

As I go through the data I collected on Xi in the context of one of my central research questions, that is, what can be learned about the current political regime in China in terms of the pre-totalitarian elements in its governance, I examine Xi in relation to the Cultural Revolution. Xi lived through the Cultural Revolution and was impacted by it. For forty years after Mao's death in 1976, the Cultural Revolution's politics of extreme collectivism, ideology, and one-man leadership was taboo, repressed. Now, however, some say Xi is bringing back programs, practices, and attitudes from this horrific period in Chinese history. It is with this in mind that I will examine Xi's motivations and values as they surface in his actions and the perceptions of his fellow citizens.

THE MILITARY PARADE

Preparations

I did not go to the parade though I very much wanted to. To my surprise, one had to receive an invitation from the government. No one I knew went to the parade, though everyone was talking about it and preparations for it could be seen all round. In fact, the preparations were more than noticeable. They were striking, as well as annoying, to me.

The parade took place on September 3, 2015. On August 22, I wrote in my diary,

For a month my Chinese colleagues have been explaining that daily hassles are due to the parade. When customs impounded the box with my winter clothes that I had mailed from the U.S., I was told it was because of the parade. Apparently, heightened security requires delaying postal deliveries. When an executive could not get his car into Peking University's Global Village where I live, he said it was because of the parade. This struck me as extreme security because the parade is not only two weeks away, it will take place 20 miles away.

The government has already shut down subway Line 1 and some bus lines, Tiananmen Square, and a large shopping street near Tiananmen, Wang Fujiang. The Hyatt Regency is closed to the public so government guests can use it. Drivers can only use their cars every other day and the steel mills have been shut down to ensure blue skies the day of the parade.

850,000 civilian security personnel have been mustered to keep an eye out for suspicious behavior and report it to the police. These mostly poor and older people with their red arm bands, can be seen every 50 meters or so as one gets closer to the city center.

As the parade approached, security continued to get tighter. I heard there would be a delay in postal deliveries by one week. Cars with license plates from outside Beijing cannot get gas in Beijing during the week of the parade. A week before the parade, soldiers with machine guns arrived at the gates of Peking University. In highly disciplined fashion, the soldiers marched on campus.

The normally very grey sky turned perfectly blue the week before the parade. One of my students said the rain before the parade was from cloud seeding and caused the unusually blue skies. Two days before the parade CNN was blocked on my cable TV. They closed the airport the day of the parade.

Discussion

I did not meet any Chinese who expressed the slightest irritation at public service and access cutbacks the government put in place to prepare for the parade. For one thing, the population is used to it. There is

always wide-ranging security at government events in Beijing.¹ It is part of the government's face and thus power that they can pull off their events without a hitch.

Second, the public cannot do anything about it. The government is the government and the government will do what the government does. It is their prerogative, even their city. The population just lives there. The government's response to protest could easily be ruffian tactics and/or arrest. As noted in the previous chapter, the population's response is passive and subordinate.

There were reports of online complaining. Some of these are anonymous. The government has increased its efforts to remove anonymous accounts and monitor, censor, and prosecute online criticism.² Increasingly, the government wants to control the public narrative. This is why CNN went blank, even though CNN is in English and watched by only a very small number of Chinese.

Anti-Japanese Aggression

During President Xi's speech during the parade, which I watched on television, he said multiple times that the parade was a celebration of the end of the "war of Japanese aggression and world-wide fight against facism." The repetition of this exact phrase during the main speech and its further repetition by officials, guests, and spokespersons on CCTV before, during, and after the parade was noticeable. They often shortened the phrase to "anti-Japanese war of aggression."

During an interview of an Oxford University historian by Tien Wei, a prominent CCTV talk show host, Wei remarked that the historian "spoke prematurely" when he said, "Japan is now a liberal democratic society that will not start another war." During the week of the parade, CCTV continuously reported the terrible human cost China suffered at the hands of the Japanese: 35 million casualties, 20 million dead, 3.5 million dead soldiers, and 31.5 million civilian casualties. CCTV reported the Chinese suffered one-third of total World War II losses.

The reports also highlighted the courageous resistance put up by both the Communist Party and the Kuomintang. CCTV reported that the Chinese "forced Japan to commit 75% of its army to China because of China's fierce resistance." They quoted Roosevelt as saying that "if China had fallen, so would have Australia and India right away." The Japanese would have also "threatened the Middle East." CCTV reported, "1.5 million Japanese soldiers were killed by the Chinese."

I asked Chinese what they thought of the parade and the news surrounding it. All expressed sadness and horror at the violence of the Japanese invasion. Some had more detailed historical understanding, but all knew the general outlines. A small number mentioned the Communist

Party's exploitation of this information to reinforce the importance of their leadership.

All Chinese said they were happy and impressed to see such a robust fighting force on display during the parade. Generally, they said, the parade "shows the world we can defend ourselves." They usually mentioned Japan and the United States as possible attackers. The Chinese I spoke with were very proud of the parade and China's military strength. It was a "moving experience" for them, and especially for the older generation who experienced the Japanese invasion directly. This latter generation is passing from the scene. Some of them were honored with front row seats at the parade and when asked expressed their approval of a strong Chinese military.

Discussion

It is accurate to say that based on the eight months of fieldwork I carried out in Shanghai in 2007 and 2010 and the twelve months in Beijing in 2015 to 2016, the Chinese I spoke with hate the Japanese for their World War II aggression. Given the level of Japanese aggression, I felt these feelings were understandable. However, there are a number of other factors to consider.

First, remarkably "70 percent of Chinese television dramas have plots related to war with Japan . . . and in 2012 alone 700 million imaginary Japanese were killed in Chinese movies."³ The government exposes the Chinese population to Japanese aggression and Chinese bravery on a daily basis. This is one of the reasons for Chinese anger.

Second, in these movies, government pronouncements generally, and in events and speeches during and surrounding the parade the Communist Party presents itself as a brave, active, and successful enemy of the Japanese invader. According to historians, this is not true. The Kuomintang did most of the fighting against the Japanese and sustained heavy losses.⁴ In fact, according to some accounts, Mao agreed to join forces with the Kuomintang to fight the Japanese, but withheld his forces, keeping communist involvement in the fight to a minimum. Some accounts argue it was the deliberate strategy of the Communist Party to stay out of the fight to take advantage of Kuomintang's losses for when the civil war between the Kuomintang and the communists resumed.

The Communist Party's continuous use of Japanese aggression during World War II and exaggerating its own role in Japanese defeat is a good example of Communist Party propaganda strategy. In many different ways, it continuously promotes its heroic commitment to and protection of China. This combines with repression of any alternative narratives. It is an important means the Communist Party uses to maintain its legitimacy and support in China. We should see the parade in this light.

We Are Peaceful

During a parade that demonstrated China's vast military armaments and organizations, President Xi announces a cut of 300,000 military personnel. Many of the people I spoke with mentioned China is a peaceful country. A Chinese colonel in the PLA insisted on CCTV that China is peaceful and the purpose of the parade and the military buildup that it reflects is to send the message that China can and will protect its borders, protect its interests worldwide, protect peace in the world, and shoulder more peacekeeping responsibilities in the world. He went on to say China had wars the first three decades after 1949, but none since the 1979 reforms.⁵ He said this shows China is a peaceful country.

A Chinese professor of political science expressed a different perspective. He said the purpose of the parade was to demonstrate power. Some Chinese scholars, he said, think the parade was a peak moment for China. China's power cannot continue to grow because there will not be funds to pay for it.

Finally, in watching Xi's behavior during the parade I felt his demeanor was somewhat flat. It contrasted sharply with the highly disciplined, smartly dressed soldiers marching down the parade route with their heavy weaponry. I joked to two Chinese professors that it appeared Xi was extremely bored or on the verge of falling asleep. They both disagreed with my perceptions. One, a management professor, said Xi is "very stiff." He speaks some English because he studied in the United States. Two presidents ago Jiang Zemin was "more relaxed." He was an artist. He played the piano and could sing in English. He was educated before 1949. Xi was educated in the 1960s, he said.

The second, a professor of political science, said the fact that the two previous presidents were on the leadership platform with Xi shows Xi has not dominated their power cliques. This is why Xi looked so down. These other cliques separated him from his supporters. A group of Communist Party cadres, she went on, wrote letters to Xi complaining about the presence of these old timers. Their presence showed their continuing power.

Discussion

The Chinese colonel speaking on CCTV said China had wars the first three decades after 1949, but none since reforms started in 1978. The first three decades after 1949 were exactly the period when Mao Zedong was leading the Communist Party. After Mao came economic reforms and no wars. Everyone agrees a great transition occurred from Mao to Deng. Specifically, the colonel is saying part of this transition includes China's attitude towards war. Before reforms China was *not* peaceful, after reforms China *is* peaceful. Why has China changed? They have gone from

an ideologically driven country with international ambitions to an economically focused country emphasizing domestic development. Yet the parade is all about preparations for war, international relations, and international capabilities. Why have the parade? Perhaps to show the domestic audience the Communist Party is powerful, can protect the nation, and to connect the population's feelings of accomplishment, pride, power, and security with President Xi and the Communist Party.

The management professor responded to my comment on Xi's tiredness by contrasting Xi with Jiang. Jiang was relaxed, an artist, and could sing in English. He was educated before 1949, that is, before the Communist Party took power. The professor evaluates these facts positively. Xi, on the other hand, is stiff, speaks less English, and was educated in the 1960s, that is, during the Cultural Revolution. These are negative evaluations. The professor seems to be saying the Communist Party restricted China's vitality and cultivation. This is what he sees in Xi's body language.

The political science professor interprets my comment on Xi's tiredness in terms of the symbolism of who is sitting on the leadership platform. The previous two presidents are sitting there. They both represent different factions. This shows, she says, Xi has not dominated these factions. He looks "down" because he is separate, physically and symbolically, from *his* faction. The seating arrangement was so politically significant that a group of cadre wrote letters to Xi, complaining that he had to share power.

The parade, then, reflects the distribution of power. Xi is not as dominant as Xi and his followers would like. The political science professor's comments are an example of "reading the tea leaves" in China. Since the government is so secret, the population uses public events and most other public communications to interpret what is going on in the government, more precisely, to interpret whose power is rising, whose power is falling, and what it all means for future government behavior. In this case, Xi has less power than was thought so the implementation of his key priorities may be slower than otherwise.

The two presidents on the leadership platform did not *look* powerful to me. Jiang looked quite old and Hu was ill, his hands would not stop trembling. Yet to the professor these facts were irrelevant. They are heads of factions. In their person, they signify extensive power networks, personal ties, and organizational affiliations. In a Confucian (collective) society, their health is secondary.

XI AND THE LAW

Xi was 12 years old when the Cultural Revolution started in 1966. His father had already been purged in 1962.⁶ During the Cultural Revolution,

Mao purged his father again. This time he experienced prison and torture. Xi Jinping was “sent down” to the countryside to learn from the peasants and farmers. He saw firsthand the chaos that resulted when the government retreats from governance. Many Chinese who came of age in the Cultural Revolution, an American lawyer who studies the Chinese legal system said, equate chaos with democracy. In other words, one reason the majority of educated Chinese do not think China is ready for democracy is because of the chaos that resulted when Mao told the country's students to challenge authority and create Chinese socialism themselves. This was Deng's view, the lawyer said. We do not know Xi's opinion.

There was a theory 10 to 15 years ago, the lawyer continued, that the Communist Party would grow out of its non-legal mindset. This was during the Hu era. The Communist Party would tolerate more points of view and cede power to the Constitution. This moment has passed, he said.

When Xi became party secretary in the fall of 2012, the lawyer recalled, he made pro-law statements. It had a big impact on the courts. Xi said the goal of legal reform is every citizen sees justice in every case. He had backed a progressive leader for the Supreme People's Court. At the Fourth Plenum in the fall 2013, they approved an “amazing document.” It was an agenda for legal reform. The document had all the pieces. It defined the court's operation; it even had a yearly holiday to honor the Constitution. It was systemic; there was not much to add.

In the fall of 2013, the lawyer continued, Xi released Document Number 9. It had a chilling effect on legal reform discourse. A few months later, they started arresting lawyers in mass. They criminalized much of what lawyers typically would say in court. It was no longer possible to think Xi supported the rule of law. There is no way to know how to connect Xi's earlier statements with his later actions. Right from the beginning, Xi pushed an extralegal anti-corruption campaign.

In 2016, Xi is still talking about the importance of law. Maybe, the lawyer says, Xi needs law for governing. He needs law to solve agency problems with official corruption and to standardize practices so the population thinks the government is fair. On the other hand, he does not want himself or the Central Committee to be constrained by law, she said.⁷

Discussion

Forty years after its announced end, the long shadow of the Cultural Revolution darkens the legal sphere in 2016. During the Cultural Revolution, Xi Jinping's family was broken up, his father purged for sixteen years (1962–1978), and Xi, who was born in 1954, suffered harassment and ridicule as a member of an elite family before he was sent down to a

rural village for seven years. Of course, it could have been worse. He was not killed or maimed. There is no evidence that he participated in killing or torturing.

This chaos, suffering, and destruction, the American lawyer says, led many Chinese to equate “democracy with chaos.” On the face of it, this does not make a lot of sense. An idealized dictator prosecuted the Cultural Revolution using *one* part of society, youth, to attack all forms of authority, especially the Communist Party power structure, in pursuit of “pure socialism,” and those who disagreed with him. China’s youth had been prepared for this role through two decades of Communist Party indoctrination, inculcating them into self-abnegation, leader worship, and idealization of the abstract collectivity.⁸

From an outside perspective, it is hard to see what this has to do with “democracy,” if democracy is defined as majority rule through elected representatives acting within the confines of a constitution. It appears the Chinese see two political options: dictatorial government and everything else, the latter they call “democracy.” They see in democracy a lack of order and control. Why would the Chinese reach this conclusion?

Two thousand years of dictatorial control is what they know other than periods of breakdown and chaos. For other nations, democracy is a peaceful alternative to dictatorial government, where the rights of the individual receive protection. The most economically successful countries in the world are democracies. In China, however, during the Cultural Revolution, Mao turned society over to youth groups with little more than vague instructions to make socialism. Violence, confusion, and barbarism irrupted in practically every direction. This “freedom” without fences has had a huge impact on the Chinese experience of “democracy.”

It is clearly a confused conclusion to call this democracy. They are equating Mao’s insane and devious power play that maliciously used youth violence to destroy resistance to his leadership and vision with democracy. In the Cultural Revolution, Mao is primarily in a destroy mode, planning to remake the whole once it has been shattered to pieces or to violently transform the whole by picking new leaders and organizations as they arise out of the destruction.

Of course, the whole thing failed miserably, the fantasy of a mad man and his sycophantic group. He unleashed a part of society from their traditional moral constraints and led them in a remissive mode toward abstract collectivist ideals, but the violence escalated to such levels Mao had to send in the army to restore order and put an end to the fantasy. In this case, the highest ideals provided cover for release of the lowest impulses. Standard totalitarian behavior.

That those who experienced this period concluded they experienced “democracy,” is a longing for authority. After the violence and trauma of the “Cultural Revolution,” the Chinese want what they know and are habituated to accept through family, education, religion, and age-old

practice. They seek limits on behavior, safety, and a central authority to enforce it.

In this context, “democracy” means a loss of authority. It is an experiment. It could go wrong. It represents release, a lack of controls, opposite of authority. Letting people act on their own led to violence. Delegating authority to the “people” led to chaos and insanity. “Democracy” has been stigmatized by the horror of delegation and autonomy as it unfolded under Mao during the Cultural Revolution. The Chinese returned to the strong father of dictatorship and fled the ideology of revolt that Mao tried to program into them and manipulate from behind the screen. For this generation, political freedom relates to chaos and violence. The totalitarian dictator Mao has done interminable damage to the development of democracy in China.

It is in this context that we must understand Xi and his team’s view of the rule of law. Xi makes “pro-law” statements. His regime produces “pro-law” documents, but all this is but cover for extralegal policies and actions. This pattern parallels Xi’s behavior in the economic sphere. He states he will expand the role of markets in the economy, but he does not do this instead expanding the role of SOE. Why does Xi’s actions contradict his statements on the rule of law?

First, as seen in the data on Deng Xiaoping, competition between factions is fierce and leaders do not show their cards to avoid sabotage. Saying what you actually think is a competitive disadvantage. Second, Xi needs the “rule of law.” He needs an instrument to control society and manage conflicts. China is a huge society growing more complex practically every day. A robust, well-functioning legal system across this vast country would be extremely helpful, probably impossible to manage without one, but, as the lawyer said, they implemented the “rule of law” so far and no farther; the Communist Party remains outside of it. Like the Mandarin who came before them, the Communist Party uses the law for its own interests but is not subject to it.

This leads to the third reason why Xi and his leadership team will not move toward institutionalizing the rule of law: Xi may have learned from the Cultural Revolution what can go wrong when Chinese culture is released from its central hierarchical value of obedience. A true rule of law would mean everyone is equal before the law and no one is above the law. As in the Chinese perception of democracy, Xi and his leadership group may feel it is high risk to move in this direction. Like so many others say, Xi may feel China needs a strong man, a dictatorial center. Even if Xi truly believes in the rule of law, he might still think it is unwise to implement it fully.

A second possible influence the Cultural Revolution could have on Xi and his leadership team is what they learned about the rule of law from Mao. They saw how Mao exercised power by talking in ideal terms while fighting others and controlling society in violent and manipulative ways.

In other words, they are repeating the model they experienced during their formative years. To the extent, these experiences emotionally scarred them and others, repetition would not be a surprising outcome.

XI AS LEADER

Predecessor

The General Secretary of the Communist Party before Xi was Hu Jintao. Hu came in with great fanfare that he would get a lot done, but is now seen as accomplishing little. Some people describe him as a “caretaker.” Hu tried to implement a “collective style” of decision-making. There was little conflict during his reign because he involved many people, but in some ways, he lost control of the government, people say. Corruption ran rampant. It was a period of “anything goes.” The population became “disgusted with the materialism and flashy lifestyle of officials,” according to a Chinese Singaporean doctoral student studying the mainland government.

On the other hand, some people remember him fondly for his phrase “Don’t mess around,” admonishing Communist Party cadres not to disturb the daily lives of the population. The economy did well during his two five-year terms in office, but he was seen as “too stubborn, not charismatic, and boring,” according to a Chinese journalist. Hu came from the generation of leaders with engineering/technical backgrounds. Despite the economic growth, people saw Hu as weak, unable to get things done. The reputation of the Communist Party declined during his tenure. This situation led to Xi.

Discussion

Apparently, Hu is an example of what many Chinese warn about, without a strongman at the center China disintegrates. Hu tried a collective style of leadership without maintaining a strong central presence, resulting in rampant government corruption and poor government performance.

Hu had an excellent administrative record, mostly in the poor western provinces. He had improved economies and improved social order. In fact, his tag line as president was to create the “harmonious society.” It appears he focused too much on harmony and not enough on authority. Chinese culture still has strong Confucian values, requiring hierarchical obedience especially to the top man. When Hu did not play this role, Communist Party cadre felt released from hierarchical controls.

It appears this was Xi’s diagnosis because when he took office he came out swinging. The strongman was back. He let loose the strongest anti-corruption campaign in 30 years. Arrests started immediately, very no-

ticeably of high-level officials. He struck fear in the Communist Party, military, and government. He spoke of moral values and discipline. He presented himself as morally pure. He and his wife, a famous singer of traditional and pro-Communist Party ballads and holding a military rank of major general, presented an image of probity. They received the names of “father” and “mother.” Xi restored the national family.

Word spread of Xi’s clean career and of the super cleanness of the super bureaucrat Xi chose to implement the Anti-Corruption Campaign, Wang Quishan.⁹ Political, social, and moral hierarchy replaced economic growth as the central preoccupation of the father/leader. Xi became popular with the population, as did the Anti-Corruption Campaign. Most people said they were glad Xi is tough. Liberal intellectuals, however, worried about the move to a more dictatorial leader with a leadership style reminiscent of Mao.

Xi’s Goals

Xi surprised everyone with his immediate and systematic efforts to consolidate power. The “weakness” of Hu was gone. So was the “anything goes” behavior. Xi clamped down fast and hard on corruption. No detail was too small. Rules came out, for example, limiting the number of entrees and bowls of soup government officials could order during meals. Official corruption had become a threat to the Communist Party. Xi attacked the threat massively and systematically. An American lawyer concluded Xi’s number one mission is to keep the red elite in power.

Another American lawyer, however, pointed out that Xi expanded the scope of what constitutes a threat to the Communist Party and social stability. He was not just fighting the corruption threat, he was creating a new, or returning to an old, political culture. In either case, he is demanding strict moral standards be met. In this sense, according to the lawyer, he is “buying new problems.”

Different people have different guesses as to what are Xi’s core goals. I will group them into four broad categories: protect the Communist Party, expand China’s power, consolidate his power, and wipe out corruption. In a second monograph, I will examine in significant detail the extremely important Anti-Corruption Campaign. Here I will focus on the other three goals.

Goal One: Protect the Communist Party

A Communist Party official said Xi represents the last generation of Communist Party leaders who believe they were born with the right to lead. They all have a sense of urgency to promote equality, socially, not politically. They believe the country is theirs. They have shared memories of an egalitarian past; maybe they just imagine it, he said. The challenges

they face include a diverse nation, huge economy, huge disparities in wealth, and environmental degradation.

The official continued that Xi is ambitious and visionary to reinstall an updated version of egalitarianism, where the market plays a role. The Communist Party says the market will be decisive and vital, but if they carry out reforms, he adds, it will be top-down. In the end, the market will not play a decisive role.

A Chinese professor of political science noted Xi is saying many good things, but his actions are exactly the opposite. A Taiwanese executive explains these apparent contradictions in terms of the "tough" nature of Chinese politics. If Xi would have come into office and not done something radical, he would not have lasted 30 days, he said. In China, losers in politics can lose their life. It is only natural that Xi keeps his plans to himself. According to the executive, Xi's subterfuge enables him to accumulate power.

Other people saw this differently. The Chinese Singapore doctoral student believes Xi is much weaker than people think. He is vulnerable. He has "pissed off" many people. An American lawyer too said some Chinese have concluded his contradictory behavior is more a sign of weakness than strength.

An American journalist who has studied Xi comments on his background,

Xi has only known the Communist Party. He grew up during the Cultural Revolution. He lived in the Communist Party compound as a child. He has a narrow view. He will do anything to keep the Communist Party in power. When Deng made his Southern Tour in 1991, it could be argued that he did this not for the Communist Party but for the country. This cannot be said about Xi.

A Chinese professor of political science called Xi "Mao 2." From the Cultural Revolution, according to the professor, Xi learned that Mao's goals are achievable by other means. His number one goal is to protect the power of the Communist Party. He is a communist; he believes in communism. An American management professor added Xi is a Princeling and only cares about the Communist Party. He cares little about China. The Chinese professor of political science said Xi, upon assuming the presidency, warned his own family not to do anything wrong or they will be punished like anyone else. He would kill his own family if they get in the way of the Communist Party, he said.

According to the political science professor, Bo Xilai and Xi were competitors inside the same ideology, the "red strategy." The difference between them is Bo would have done anything to gain power. Xi is not out for himself, but both are different from Deng, who thought to keep the Communist Party's monopoly on power only because he did not trust the masses.

A corollary to Xi's commitment to the Communist Party is his commitment to the SOE sector, a key power base for the Communist Party. A Chinese business school dean said,

Our President is very strong compared to Deng. He is the son of a senior official. In his blood, he believes the state-owned is good. He is very popular. SOE is a huge problem but getting better.

A Communist Party official added SOE is essential for political and social stability. Xi will choose stability. He will try to solve the SOE problem overseas through Belt and Road. The prime minister, Li Keqiang, known for his reformist, pro-market policies has come under criticism from Xi. Rumors abound that Xi might remove Li for his second term in 2017.¹⁰

Premier Li was Xi's main competitor for the top position. Several people mentioned Li has a more diverse background and is more open than Xi. His mother was a schoolteacher and his father a local bureaucrat. He is not a Princeling. A Chinese executive said Li wants to reduce the role of government in the economy, give a bigger role to markets.

Discussion

Perhaps the most striking affinity between the Mandarin and the Princelings is the hereditary path to power. Even though scholar-officials had to compete in the examination system to have the potential to win appointments, once appointed their status, wealth, and power led to great advantages for their children.¹¹ Likewise, the Princelings have to compete inside the Communist Party for power positions, but their families' status and connections give them great advantages.

The Communist Party official said Xi's generation is the last generation of Princelings to feel they are born with the right to lead. More exactly, they were the only generation with this feeling because they were the first generation after the revolutionaries who founded the party-state. Why will the founding families lose their sense of entitlement and why did they have it in the first place? They will still have their red heritage, in some cases great wealth, and most probably extensive family connections.

If true, the loss implies great changes in Chinese political culture. The founding generation continued a hereditary aristocratic political culture from the dynastic system by passing on top positions to their children. Given the dominant role the Princelings are playing in the current power structure, it seems unlikely the third generation will not inherit the sense of entitlement.

Xi and some other Princelings believe in Communist Party ideals, most especially in the ideal of *social* equality (though this does not include *political* equality). In other words, they want the population to be equal but the Communist Party to be an exception. They want the Com-

munist Party to remain a dictatorship, in full control of the instruments of power. This is the Leninist model. It has led to enormous abuse of power in China, the Soviet Union, and elsewhere; it also led to individual isolation, mass organization, and totalitarianism.

In this system, “equality” is an attack on civil society. Neither the Soviet Union nor China even provided economic equality since they continuously transferred wealth from rural areas to cities. Its most profound effects have been political; it atomizes society making it nearly impossible to oppose the Communist Party.¹² In this system, “equality” functions as a tool of power. Mao used this ideology to justify the creation of the great agriculture communes. These communes contributed to mass starvation.

In other words, equality in the communist system is a moral ideal in that it promises citizens equal *economic* rights, but its dark underside isolates individuals and destroys communities, making them easy prey for manipulation, collectivization, and dependency. Xi has moved back in this direction after the period of great wealth creation and economic development.

Xi and his Princeling faction want to return to the equality of the past, which the Communist Party official says may be imaginary. Many people in China want to return to the equality of the past. They even praise the leadership of Mao. The political science professor said Xi learned from the Cultural Revolution that Mao’s goals are achievable by “other means.” What are these “other means”? Xi’s use of purges (the Anti-Corruption Campaign) and ideology (censorship and indoctrination) are not new. Perhaps the mixed economy is the “other means,” but this means to be achievable socialism needs capitalism. This contradiction shows why it is so difficult to determine Xi’s goals.

The Communist Party official called Xi’s program an “updated egalitarianism,” which included a role for the market and wealth disparity, at least up to a point. In the official’s view, the state will always remain dominant over the market and the population. The state will decide what is best for society. The fact that Xi did not clearly state this but in fact said the opposite as the political science professor noted, means he was not powerful enough to ignore the liberals in the Communist Party. He had to disguise his true intentions as he consolidated power. As his power increased, his true intentions unfolded.

The strongman theme discussed earlier—that is, power consolidation is required to stabilize state and society—shows up again to protect the Party. Many people say Xi’s number one goal and priority is to protect the Communist Party. The American journalist says the Communist Party is everything to Xi. Many say Xi is a true believer in the historical role of the Communist Party. He would do anything to protect the Party. It is more important to him than China as a whole or even his own family. Bo Xilai, on the other hand, is only out for himself. Deng Xiaoping was

concerned for the country as a whole. The journalist portrays Xi as a single-minded, dedicated communist. A true believer not out for himself.

This portrayal of Xi strongly suggests that any evolution toward democracy and capitalism are out of the question. We should expect continuous development of the party-state and continuous pressure toward an enforced equality in the population. Xi has moved into the pre-totalitarian phase of increasing centralization, censorship, and indoctrination. He appears to have moved into a totalitarian phase in Xinjiang province given that he has incarcerated upwards of one million Muslims in a system of prison camps. Some reports state that the crackdown seeks to exterminate Muslim religious attachments in the population. Communism is essentially a totalitarian system, and Xi a pre-totalitarian leader.

Goal Two: Power as an End in Itself

A Chinese professor of management expounded on Xi's use of power after assuming the top position.

Power is addictive. Xi starts accumulating power to make reforms, but in the process sets up processes that lead to power for its own sake. He allows songs and poems to be written about him and his wife. It is starting to look more and more like the Cultural Revolution. He is reforming in reverse. It is the same traditional Chinese story. There is an overthrow of the government but the new government takes the same form as the old government.

Everything is being centralized. The previous president and prime minister could not get anything done because they did not have enough power, but Xi concentrated power and just focuses on concentrating more power. He is going left. He will allow the Chinese people to have a full belly and strong legs, but empty head.

There is a Chinese proverb that when a storm is coming there is wind in the hall. In other words, all these actions are coming from the top. People are starting to think Xi resembles the leader of North Korea. There are more and more signals from art and music that Xi is moving toward the Cultural Revolution.

A Chinese Singapore diplomat compared Xi with Lee Kuan Yew. Xi is a "control freak," a methodological leader. Lee took out all the opposition in Singapore. Xi is a great admirer of Lee. Xi may be a great leader for China, but Singapore is only 720 square kilometers. China has a history of diverse civilizations.

Xi is clearly consolidating power. The problem is no one knows what he is going to do with it.

Discussion

The Chinese circle of history—that is, dynasties rise, decay, fall, and are replaced by new ones that take the same form as their predecessor—

shows the great force of tradition in Chinese social structure and culture. A marvel of collective organization, building grand canals, great walls, and massive irrigation systems, Chinese social organization was built on a dual structure: a vast system of lineage groups on the bottom overseen by an emperor, court, and educated bureaucracy at the top.¹³ Despite a common assortment of poorhouses, famine relief, Confucian academies, and the like, governance was often harsh or neglectful, or eventually so, leading to rebellion, often from starving peasants,¹⁴ only to be reestablished by a peasant leader or foreign conquer or with a dynastic structure similar to the one that had just fallen.

The model is ever ready for Chinese to use to understand their government. Xi came into power with many promises, many of which he did not carry out or carried out the opposite. One thing is certain, the first management professor notes in reference to the model, Xi is concentrating power. The professor says it is the "Chinese story," the leader will keep accumulating power. It is an end in itself. For the leader to survive, he must defeat his enemies and continuously accumulate power. The population is both audience to the factional dramas and participant in the power struggles. The leader needs the population behind him less it be used against him. He pursues their love and obedience by offering them a "full belly" on the condition of an "empty head." If a major part of the society feels violated or threatened, the state could fall.

The communists followed the circle of history model right out of the gate with massive land redistribution and a withering heights of mind control, but added a radical new script, the Cultural Revolution. Though the Communist Party rejected it after Mao's death, Chinese intellectuals are on edge today by signs of its return, the reemergence of the radical left, a new Dear Leader, and the collectivization of society. The Taiwan model would be nice, but no one sees that. China is always returning or threatening to return to the China model, continuous centralization of power by an autocratic regime that now has totalitarian collectivization in its portfolio.

The Singapore diplomat compares Lee Kuan Yew with Xi. Lee was a dominator; he dominated Singapore and removed all opposition, but Singapore is a little island. Xi could never swallow China the way Lee swallowed Singapore. China is too big and too diverse. Xi cannot establish the rule of law like Lee did. He would lose control. Instead, the new link in the chain of Chinese history introduces mass terror, thought control, and the cult of personality. What the Chinese need to understand is the great risk they face that once again the communist dictatorship will slip into totalitarian government. It is an ominous sign that they are learning nothing from the situation in Xinjiang.

Goal Three: Rebuild the Chinese Empire

Others see in Xi a nationalist, out to steer China to power and wealth.¹⁵ A Chinese Singaporean executive expressed concern about the tensions in the South China Sea and warned the United States not to treat China like an enemy or they will “get one.” In his view, Xi is managing the rejuvenation of China. He sees more Mao than Lee in Xi. His “very strong” attacks on critics remind him of Mao. He said history is definitely a danger.

In a list of Xi’s four key goals, a Chinese executive includes an aggressive foreign policy and a strong military. A Taiwanese journalist in Hong Kong puts this in historical context. He said the dynasties fielded huge armies. Commenting on Xi’s “Silk Road” initiative, he said at the height of China’s power the Han controlled an empire close to the size of the Roman Empire. This is the origin of the Silk Road, trade between China and Rome. Xi is trying to restart and revive the old empire. He may want to become emperor after his term as party secretary ends. His ambition is to give everyone a Volvo. We will not know the results of Xi’s efforts until the end of the twenty-first century. The government has a lot of money, so they can kick political reform down the road, he said.

In 2016, there were many rumors about Xi breaking with Communist Party precedents and seeking a third term. Some thought he did not need to stay in office because he could lead from out of office like Mao and Deng, but in 2018, the Communist Party removed term limits for the presidency from the constitution. This is a good example of how little the population knows about government decision-making and the speculation that goes on to fill the void. In any case, perhaps the main point is “Xi acts like the emperor, so they should just go back to the nineteenth century,” in the words of a Chinese professor of political science.

Discussion

The Chinese are very proud of their economic accomplishments. The Chinese are rising in the world. There is much talk about this in China. They understand the military parade in this context. China is or is rapidly becoming one of the world’s great powers. The Chinese Singapore executive made a common remark about China’s power. He said China is on the rise, a return—“rejuvenation”—of its former greatness. He says Xi is leading the way, but he also said Xi is more like Mao than Lee Kuan Yew. History is “definitely a danger.” In other words, even though China is rising economically, it can still fall apart politically. When Mao died in 1976, China was destitute. Will the future be a return to the heights of the Chinese empire or the lows of the Cultural Revolution? The Singapore executive expresses concern from the stability and wealth of Singapore.

Others too reference China as a rising power taking its place among the world's great economic and military powers. For them too it is a return. In particular, the "Silk Road" initiative is not only a model from the past it is a reality of the past recreated in the present. The Silk Road goes through the past to the present. China will walk through its past as an equal to Rome and arrive in the present as an equal or superior to the United States. The Silk Road project is a serious plan, serious business, and serious symbolism.

Andrew Browne called the plan, formally known as the Belt and Road initiative, the "Marshall Plan of the 21st century."¹⁶ He states that despite China's planned one trillion dollar investment for the development of ports, rail lines, IT networks, and energy pipelines, the initiative is primarily an idea; an idea to market, sell, and implement the China model and China's influence throughout East Asia and Europe.

Over time, however, the initiative has come under increasing international scrutiny due to accusations of corruption, manipulation, and exploitation.¹⁷ The Silk Road project is a concrete effort to build China's past greatness in the present. Building infrastructure is real but so is its meaning. Both the Taiwanese journalist and the Chinese professor of political science associate Xi's Belt and Road initiative, authoritarian leadership, and the role of emperor. Reviving the old trade route and reviving the old empire that resulted from it, leads to the revival of the old emperor in the Chinese mind. Humans think and act based on mental models. The Chinese understand Xi's leadership in terms of these models. Xi's own understanding is no exception.

The journalist makes the interesting comment that Xi wants to give every Chinese a Volvo. If China is to be great, China must be wealthy.¹⁸ For China to be wealthy, the Chinese must be wealthy. China has created great wealth, but most Chinese are not wealthy. Income is highly polarized.¹⁹ The government and its leaders are very wealthy. Xi knows China must keep growing and every Chinese must figuratively have a Volvo, if the Communist Party is to be secure, if Xi is to be secure. The Silk Road, the Cultural Revolution, the China Dream are all there, past, present, and future. Xi is involved in all of them. How this kaleidoscope will play out is unknown. Clearly, a Volvo for every family offers a clue: economic growth will continue to substitute for political change. The Belt and Road leads through the China Dream back to the Silk Road.

XI AS MORAL LEADER

One of the most striking facts in speaking to Chinese about President Xi is the significant diversity of perceptions. As I have just shown, many Chinese see Xi as a son of the Communist Party and the Cultural Revolution. Many people characterize his behavior as focused on personal pow-

er consolidation or protecting the Communist Party at all costs. Many others see Xi as a world-changing moral leader.

A 40-something Chinese CEO educated abroad sees Xi as courageous. She said his intention is to help Chinese society at great risk to his own safety, with little financial gain. She also thinks Chinese society sustained great damage since 1949. However, she says, even though 90 percent of government officials are corrupt, maybe 99 percent, Xi is not corrupt. She even portrayed Xi as China's Lincoln, who will move China toward a liberal society. In fact, China may leapfrog other liberal societies. Even though the rough nature of the Chinese people is not ready for freedom, Xi will move them in the right direction, she said.

Many Chinese believe Xi is honest. A 50-something Chinese executive also with graduate education abroad said Xi and his wife are clean. His family is clean too. A Chinese professor of political science added Xi is a good person in the sense he does what he believes in. He is not out to pad his wallet. He is "an egg of the Red flag." He really believes in communism. Hence, the perception of Xi as honest overlaps with the perception that he is a dedicated communist. As for financial integrity, however, in April 2016 the Panama Papers listed Xi's sister and brother-in-law as owners of secret offshore accounts.²⁰ This is a common means for political leaders to hide tainted money. The media in China did not report this information.

The 50-something Chinese executive also characterized Xi as inspirational. He said, Xi went out in a minibus and ate simple food with the common people. Xi is sincere. He was not an extremist during the Cultural Revolution. He is a sincere, down-to-earth person. In recent Chinese history, the young do not care about political figures, but today the young praise Xi. This is important, he said.

Two Chinese Singaporean executives who are involved with training Chinese officials and developing economic relations with the mainland said Xi must be brave. Xi's actions are right, fast, and practical, they said. Xi has criticized Premier Li. All the major initiatives are from Xi. Xi and Li are in different leagues. Xi has all the power. Xi has more power than Deng. He is comparable with Mao. China needs a strong leader. Xi has accomplished One Belt One Road, Asia Infrastructure Investment Bank, and the internationalization of the RMB. He has seven years left. He must consolidate power to change China. Others will oppose him. He has integrity, ability, and guts, they said. From this perspective Xi's consolidation of power and extralegal actions are justified because they do good, according to the 40-something Chinese CEO. In Chinese history, she said, we have good and bad emperors. To accomplish anything, the emperor must protect his power.

A management school dean had a different perspective. He said many people hope that Xi has good intentions. People must hold on to this hope, he went on, or they will lose all hope.

Discussion

Xi may be a believer. He may be an “egg of the Red Flag,” but the younger generation may not be. The Chinese executive said the young do not care about politics. For good reason. Those educated in the 1980s received much less political education than those that came before and after them. The post-Cultural Revolution social contract offered the pursuit of wealth to the population if they stayed out of politics. This is a double-edged sword for the Communist Party. On one hand, it allowed them to keep their monopoly on power, but on the other hand, they gave up, temporarily as it turned out, political indoctrination as a tool of power. The fact that they have significantly reinstated political education shows the important role education plays as a source of Communist Party power and “legitimacy.”

The same is true of the pursuit of wealth. On one hand, it channeled the population’s energies and enthusiasms. On the other hand, it created economic and individualistic interests that are not always in tune with those of the Communist Party. For example, Xi is a believer in communism. This means he is committed to collective priorities, state-ownership of economic assets, and the Communist Party’s monopoly on power. This puts the Communist Party in conflict with the entrepreneurial class. The Party manages the conflict through inside deals and corruption where government and private elites gain rents at the public’s expense. Likewise, with the SOE sector that sucks capital and other factors of production away from the private sector. These contradictions are part of the “China model.” The word “state” comes first in “state capitalism.”

The very fact that the Communist Party has given the population the right to pursue wealth in exchange for its monopoly on power is creating a more individualistic population.²¹ This will not only lead to conflicts with the Communist Party’s collective priorities, but with the private interests of powerful officials. They control the tension through an overwhelming police state. This does not remove the conflict; it controls it. Can the Communist Party keep the monopoly on power, as the population grows more self-interested? Concerns about this are one reason Xi is dialing back self-interest through education, anti-corruption, cadre training, and the bully pulpit.

The post-Cultural Revolution generations are the descendants of the Cultural Revolution generation whose central historical and developmental experiences involved political idealism, violent political action, and disillusionment. Not only did they, along with the Communist Party, conceal much of this radical political experience, they concluded that politics was of no value for their children. The post-Cultural Revolution generations were raised to be apolitical. Is this a stable condition? Yes, as long as the pursuit of wealth and materialism dominate their lives. As we see, Xi is turning back to communist values to maintain control of society.

This is another contradiction in the China model. As Xi and the Communist Party re-politicize the population, will they be able to control it in an era of polarized wealth, increased individualism, and widespread access to information?

The business school dean said the population hopes Xi has good intentions. If they did not hold this hope they would have no hope, he says. Once again, we see the centrality of the ancient Confucian belief in the good father/emperor. Chinese are inclined to trust their leader until they do not. This is not, however, their father's emperor. Today the Chinese have much more information than they ever had in history. Yet they still hope. This shows the limits of critical thinking in the population as a whole, the result of past trauma, past and present socialization practices, and fear.²²

Despite the substantial human and social sources for irrational political behavior in all societies, they play less of a role in dictatorships. The Chinese play no role in picking their leader. They do not even know how the selection process works. They have an incentive to be hopeful to avoid fear and anxiety. As the dean says, if they did not hold this hope, they would have no hope. Denial and avoidance are ancient Chinese political behaviors.²³ The Chinese have often lived under harsh dictatorial leaders. They are a very practical people. It is practical to be hopeful up to a point. It allows life to move along familiar and practical channels. Hope is a tradition in China.

MANY OPINIONS

China faces many serious problems. An American historian mentions pollution, demographics (brought on by the one-child policy), declining economic growth, no friends abroad, huge debt, and a significant rich-poor gap. He worries that given the centrifugal forces the government could use war to unify the country. A Chinese doctoral student summarized his view of the situation; the middle class is getting richer and now wants more rights. A second generation of farmers have come to the cities and no longer own land. There are 100 to 200 million of them. They could overthrow the government. He too said if there is internal conflict, Xi could create external conflict to distract attention. There is much unhappiness in China. During the Han Dynasty, the emperor expanded the economy abroad to maintain control at home. Xi's Belt and Road initiative is similar, he said.

Some Chinese observing the situation have not made up their minds about Xi. A 50-something Chinese CEO said most people have lost hope in the government. He is "on the fence." He has hope but he is not convinced the country is going in the right direction. He likens the country to a "big train" with many problems. He plans to wait two more years

before judging the government's record. He mentioned some people think real reform will not happen until the second term. This latter group is more patient.

A Chinese law professor had a similar view. He hopes Xi is good, but it is hard to know what motivates a president. All presidents want history to view them well. They want to do something good for the country. They want the people to like them, but in the last three years, Xi has taken many actions against the will of the people. It is hard to say he is a great president. Three years ago, many people thought he would be a great president. His father was very open. He wanted to enact a law to protect minority scholars from the government, but in the last three years many scholars do not think what Xi has done is good for the country.

Xi has support, according to a Chinese Singaporean doctoral student, in the Chinese middle class, including the owners of small and medium size businesses. Those making less than 50,000 RMB (\$7,692) per month support him. Also supporting Xi, according to an American journalist, are lower level cadre. They have signed a letter saying Xi should stay in office after his second term. The journalist said the letter shows a powerful clique backing Xi has decided they need a strong man. One often hears people explain developments in China as the result of behind the scenes puppet-masters pulling strings.

Finally, over the course of the year, I commented in my diary about the data I was collecting on Xi. Four months in, I noted many people in China use Xi's behavior to explain just about everything. China would change this way or that way or will not change at all according to the decisions of this one man. Six months into the fieldwork, I again wondered why so many people believe in Xi. I noted most people do not think critically about him. They wish him to be good so they see him as good. I noted it was risky to speak negatively about Xi or the Communist Party. Seven months in, I recorded the very strong confidence executives express in Xi. They say he is going to fix society's problems, open the economy, create the rule of law, and so on.

Discussion

The Chinese doctoral student, who comes from a poor rural background, reports that 100 to 200 million farmers have left their farms and migrated to cities. He says this is a force for instability. These people are poor, unemployed, or under-employed.²⁴ Often they do not have access to healthcare, education, and other social services. It is common to hear they suffer mistreatment, abuse, and many deprivations. The government is aware of their needs and their potential threat.²⁵ They are slowly ramping up support for this group.²⁶

The government is addressing the migrant problem as part of a broader strategy to increase population levels in urban areas where wages are

generally higher. They are developing “mega-cities” around the largest cities to both reduce population pressure by moving migrants there and provide higher living standards for rural folk. As far as I could tell in 2016, the plan was not working because none of the populations—city, migrant, or rural—saw the expanded urban areas as attractive or as rewarding as the established cities themselves.

In 2015, for the first time in Chinese history, the government reported that 51 percent of the population is urban. As recent as 1980, 80 percent of the population was rural. Some people questioned the 51 percent number. Nonetheless, a massive population shift has and is taking place. There is some evidence, however, of a reverse trend, as less Chinese are willing to take or stay in low paying, monotonous jobs in cities with little to no benefits. Some of these people are returning to their villages.

The government sees urbanization as a solution to both economic and political problems because high levels of investment in infrastructure are required that will stimulate economic growth and higher urban salaries will raise the standard of living for poorer parts of the population removing the threat from the disadvantaged. The government has said that its goal is to have 60 percent of the population live in cities. The people already in the cities, including the middle and upper classes, however, are not happy to share limited space and urban resources with large numbers of rural folk. The city dwellers look down on the rural folk as well as see them as a threat to their standard of living. So originally, urbanization solved one problem but created another one. Hence the “mega-cities.”

At this point, the situation is a quagmire. The government is working on it. Huge population pressure gives Chinese life some of its key characteristics: crowdedness, pressure on resources, intense competition and ruthlessness, fear of failure, and distrust even disregard of strangers. One can see how elite corruption is throwing a match in a dry forest.

It is in this context that one must understand the public’s support for Xi. Xi exploded into his presidency with a massive anti-corruption campaign, which signaled not only an attack on corruption but also a strongman at the center. Much of China, less the minority liberals, wish the best for Xi’s takeover of the center. In a society with so much pressure from a huge population, much of which is poor, the middle class wants someone to use the state’s repressive and ordering capacities to stop political predation and contain social unrest.

In Singapore too, a strongman emerged but not because of population pressure. Lee and his team created a city-state and transformed it into an economic powerhouse, implementing strict social controls. In both China and Singapore, there is a father state. In both states, information is carefully controlled, but Singapore has a population of five million, per capita GDP of \$53,000, and very low crime and corruption levels. Singapore is close to the ideal father state (that is, a state controlled by a powerful and

good father figure). China's population size, population diversity, and population pressure will make it impossible to duplicate Singapore's system let alone results.

Xi may be as little greedy as Lee and committed to his ideas as Lee, but social engineering cannot work in China as it did in Singapore. In Singapore, state repression produced a follower culture. This culture along with a high level of public services, shared wealth, and continuing repression keeps criticism in check. Though China too represses criticism, there is constant counter-pressure because of economic deprivation. The middle class will accept repression, more so than demand more rights, it seems to me, for fear of the volcano below them. Structural class conflict in China means brainwashing can go only so far; however, after that, the security services are very active.

The Confucian father culture with its idealized leader and obedient followers requires the iron fist the more so wealth is short and/or unequal. Xi may reinstitute campaigns, expand law, and push propaganda to high; still, at night, does he sleep easy? Chinese history is a history of revolt by the disenfranchised. This is what the Confucian model repeatedly creates, a corrupt elite. The communists have not broken this pattern.

CONCLUSION

The Chinese political system is a one-party dictatorship. It is not a law-based system. The Chinese Communist Party has great concentrated power and it follows the law when it suits its interests. It changes the law when it suits its interests as recently seen in the removal of term limits for President Xi. Kant argues there are two fundamental types of governments: divided government where the power holders are under the law and undivided government where the despot's word is law.²⁷ The Chinese state is the latter, a dictatorship and a power-based system above the law, creating law to control the population, protect its power, and advance its interests.

In the Marxian canon, equality is communism's core value. Both Soviet and Chinese communism follow this line. Under Lenin and again followed by the Chinese, the pursuit of equality is the responsibility of the Communist Party. To pursue and safeguard equality for society, for "the people," the Communist Party becomes and remains indefinitely, practically speaking, a dictatorship. The Communist Party, then, is an exception to the rule of equality. They maintain a monopoly of power to pursue and safeguard equality and other communist ideals. In practice this has led to great inequality and the abuse of power; it has led to an elite power class in a system dedicated to the pursuit of the classless society.

The Communist Party is a dictatorship. To be sure, a certain type of dictatorship, the one-party state, but there is a more sinister underside to the communist model. In both Soviet and Chinese history, the communist model evolved into a totalitarian state, in Russia in the 1930s under Stalin and in China in the 1960s under Mao.

Totalitarianism is not all or nothing. There are elements of totalitarianism in many political systems, most especially dictatorships. For example, dictatorships commonly use terror but it does not reach the all-encompassing role it plays in totalitarian systems, where it becomes the essence of government. A variety of political systems use ideology too, without reaching the level found in totalitarianism, that is, where it becomes so consuming that it attenuates contact with reality and the capacity for experience.

According to Hannah Arendt, totalitarianism arises from the breakdown of community, religion, classes, and other social structures through which people develop trusting relationships, shared belief, and social identity.²⁸ Communism, however, posits classes as the source of human exploitation, the means by which the few dominate the many. It is through the removal of classes in the classless society that this exploitation and domination will end, according to Marx.

In practice, the decline of classes has led to mass society, where the individual loses the grounding and coherence of social relationships, creating a psychological void that provides totalitarian ideology an entry point. The history of the Chinese Communist Party (CCP) follows this path. The repeated extermination campaigns, the destruction of all alternative forms of social organization, the development of mass organizations forced into a single ideological belief system, and so on leaves the individual isolated, dependent, and vulnerable to manipulation.

This background, organizational structure, and ideological singularity is part of Chinese political experience. It is one possible outcome as Xi concentrates power and seeks to increase discipline in the Communist Party specifically and control in society generally. This is not to say Xi has established or will establish a totalitarian state, but the CCP's totalitarian record and utilization of organizational forms that have affinities with totalitarianism—that is, extralegal campaigns, mass indoctrination, monopoly of power, parallel governance structures, intolerance towards organizational autonomy, mass censorship, mass detention, leader as great theorist, and so forth—creates the risk.

Many Chinese, as was seen in the data, desire a strongman. This represents an additional risk. It may seem rational given the “pressure-cooker” nature of Chinese society, but the “strongman” principle is another element in the totalitarian system. The wrong “strongman” could lead to totalitarianism. This was previous premier, Wen Jiabao's explicitly stated fear in regard to Bo Xilia. Indeed, Xi's support for a cult of personality has some worried for the same reasons.

For now the Communist Party's strong commitment to economic growth and the "China Dream," suggests that improving the standard of living for the population, as a whole is a central goal. As was shown, however, there are contradictions in the China model: The Communist Party insists on owning the core of the economy and heavily monitoring the rest, while pushing private entrepreneurship as a central growth strategy; Xi is re-politicizing Chinese society, especially education, but the Communist Party bases its legitimacy on delivering economic growth.

How this will all unfold is unclear. The Confucian father culture as seen in Singapore based on an economic juggernaut and strict social constraints is an unlikely model for China. Remember Lee Kuan Yew was a fierce anti-communist. Singapore is a dictatorship inside a Confucian culture. China has enormous problems with corruption, the opposite of Singapore. Indeed, Xi is reaching back into the communist mass society tool kit to get corruption under control. It is no accident that the communist model produced fanatical idealism followed by uncontrollable greed. Xi's movement back to idealism is par for the course. Mass society is inherently unstable. It is for this reason that the siren song of totalitarianism is just one mad man away.

NOTES

1. Callick reports even more extraordinary repression surrounding the 2009 military parade on the sixtieth anniversary of the People's Republic. "[R]esidents with views of the spectacle were warned not to look out their windows, nor to venture onto their balconies, lest they wind up in sights of an army sniper. . . . After 60 years, most people in China do not need telling twice to take such advice." Rowan Callick, *The Party Forever* (New York: Palgrave Macmillan, 2013), 7.

2. Heilmann reports that online censorship has increased across the board. Sebastian Heilmann, *China's Political System* (New York: Rowman and Littlefield, 2017).

3. Stephen R. Platt, "The Chip on China's Shoulder," *The Wall Street Journal*, March 24, 2017.

4. Philip Short, *Mao* (New York: Henry Holt and Company, 1999).

5. China fought a brief war with Vietnam in early 1979. There have been numerous border skirmishes with India since then, one as recent as 2020 where twenty Indian soldiers were killed. Steven Lee Myers, "Battle in the Himalayas," *New York Times*, July 18, 2020.

6. John Garnaut, *The Rise and Fall of the House of Bo* (Melbourne: Penguin Books, 2012), 20.

7. In 2018, the Communist Party is setting up a "national supervising commission" to expand its Anti-Corruption Campaign that experts say is inconsistent with the Constitution and lacks safeguards for civil rights. Chun Han Wong and Josh Chin, "China Signals Constitutional Changes to Back New Antigrift Watchdog," *The Wall Street Journal*, January 19, 2018.

8. Guobin Yang, *The Red Guard Generation and Political Activism in China* (New York: Columbia University Press, 2017).

9. Allegations have surfaced that Wang Quishan, through secret holdings held by his family members, improperly owns a large stake in Hainan Airlines. *Financial Times*, "Who Owns HNA, China's Most Aggressive Dealmaker?" June 2, 2017.

10. This did not happen, though Li's role in governing remains limited.
11. William T. Rowe, *China's Last Empire* (Cambridge: Harvard University Press, 2009).
12. Heilmann believes the Internet has made possible significant advances in civil society and the Communist Party will not be able to control it. Heilmann, *China's Political System*. With new advances in artificial intelligence, Heilmann's position may not be true.
13. Rowe, *China's Last Empire*.
14. Etienne Balazs, *Chinese Civilization and Bureaucracy* (New Haven: Yale University Press, 1964).
15. Orville Schell and John Delury, *Wealth and Power* (New York: Random House, 2013).
16. Andrew Browne, "China Builds Bridges and Highways While the U.S. Mouths Slogans," *The Wall Street Journal*, January 30, 2018.
17. Tom Wright and Bradley Hope, "China Offered Bailout for Deals," *The Wall Street Journal*, January 8, 2019.
18. "In reading through historical accounts of the lives, writings, and speeches . . . of iconic [Chinese] political and intellectual figures . . . a common chord rings through all their work—the abiding quest for *fuqiang*, 'wealth and power.'" Schell and Delury, *Wealth and Power*, 5.
19. "While not as high and acute as South Africa, Brazil, or Nigeria, China's Gini rating (measuring income inequality) ranks it fourth in the world." David Shambaugh, *China's Future* (Malden, MA: Polity, 2016), 59.
20. "At least three of the seven people on the Chinese Communist Party's most powerful committee, including President Xi, have relatives who have controlled secretive offshore companies." Michael Forsythe. "Panama Papers Tie More of China's Elite to Secret Accounts," *New York Times*, April 6, 2016. In Mr. Xi's case, the papers showed that his sister and her husband have "run businesses worth hundreds of millions of dollars." *Economist*, "The Panama Papers Embarrass China's Leaders," April 7, 2016.
21. Yunxiang Yan, *The Individualization of Chinese Society* (Oxford: Berg, 2009).
22. As can be seen across the globe currently, the relation between fear and the desire for authoritarian leaders is not merely a matter of heavy-handed police; it springs from identity loss. Anne Applebaum, *The Twilight of Democracy* (New York: Doubleday, 2020). For the Chinese, despite the great gravity of their inherited culture, confusion and self-doubt was the result from their collision with the West.
23. "[T]he individual has always been taught not to make emotional commitments outside of the institution of the family." Lucian W. Pye, *The Spirit of Chinese Politics* (Cambridge: Harvard University Press, 1992), 10.
24. "[T]here are still 250 million or more left behind in dire destitution." Stein Ringen, *The Perfect Dictatorship* (Hong Kong: Hong Kong University Press, 2016), 36.
25. According to the government, there were 298 million migrant workers in 2014. They migrate from rural areas to cities looking for higher wages. Once in cities they are concentrated in certain neighborhoods. They are usually excluded from municipal social services. City governments see them as a risk for social unrest. Second-generation migrants, who have often grown up in cities, are less passive than their parents' generation. There has been a significant increase in protests by this group. Heilmann, *China's Political System*.
26. One institutional barrier for the improvement of the lives of migrants is the *hukou*, the household registration system. Migrants, assigned a rural registration, are precluded from public services in cities. In 2014, the state council called for comprehensive reform of the household registration system. However, the "temporary resident" distinction assigned to migrants was maintained, continuing their exclusion from public services in cities. Heilmann, *China's Political System*.
27. Hannah Arendt, *On Revolution* (New York: Penguin Books, 2006).
28. Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt, Brace and Company, 1950).

Conclusion

The literature on China's political system argues that it is *post-totalitarian*, having moved past the fanatical and destructive ideology-driven period of the Mao era. In this book, I question the value of the post-totalitarian concept for China because China's dictatorial, communist system had elements of totalitarianism before increasing totalitarian controls in the 1960s; and has carried a number of these elements forward to today.

It is my position in the study of dictatorial systems, especially ones with a totalitarian past, that evaluation should take place on a case-by-case basis to determine the level and degree of totalitarian elements active in their politics. Totalitarianism is not all or nothing. Dictatorships can contain totalitarian elements without becoming totalitarian systems.

I developed the concept of *pre-totalitarianism* to assist in the study of China's political system, with its complex mixture of dictatorship, significant levels of economic freedom, moderate levels of cultural freedom, the capacity to travel and study abroad, increasing censorship, increasing indoctrination, increasing police controls, increasing use of the legal system, and to some extent minority liberal factions within the Chinese Communist Party (CCP). In examining these elements in the political system in the context of the history of totalitarianism under the communists, I found the concept of *pre-totalitarianism* useful to sort through and evaluate the authoritarian, dictatorial, and totalitarian forces active in China today.

POLITICAL CULTURE

In chapter 9, I condensed my analysis of the Chinese political system into three laws of Chinese politics: China's small group culture leads to a plethora of factions; facing disloyalty all around the leader must accept a high degree of decentralization or attempt to consolidate power that, in either case, results in a highly fluid political arena. Fluidity is the central characteristic of the Chinese political system. The leader has successfully consolidated power and has the capacity to push forward broad reaching goals; or does not and the fighting factions push decisions hither and thither. In either case, whether the emperor is a giant or not does not matter, change is the norm.

In terms of the study of pre-totalitarian elements, power consolidation has its risks. The logical endpoint of power consolidation is totalitarianism, where the leader controls everything including the thinking of his subjects, for those who are still alive. Clearly, President Xi has been on a power consolidation spree since he took office. Most importantly, he has intensified the role of ideology in society. Ideology is the highway to totalitarianism. It is not yet clear how far he will move down this highway or even how far he can do so. Nonetheless, this is a risk factor in Chinese politics: A dictatorial system with a tradition of power consolidation at the top. If power consolidation is significant, it provides the chief executive with the access to violence essential to implement totalitarian organization.

Other trends support power consolidation and totalitarianism. The growing size of the police forces and their growing role in society certainly increase repression. Much of China's police are secret police in that they do not wear identifiable insignia and operate independent of legal rules and oversight. Secret police are key to totalitarian organization. In China, they are ready to increase repression if so directed. All mid-level police officials and above must be members of the Communist Party and are indoctrinated in communist propaganda.

The mass murder campaigns that were common features during the Mao era demonstrate the totalitarian character of the CCP during this period, 1949–1976, is not present today. However, the community-wide incarceration and indoctrination involving ethnic minorities show clear totalitarian patterns in the intolerance, prison camps, brainwashing, and intense police monitoring, invasiveness, and control. Hence, the CCP is totalitarian in these selected areas today. The mass murder campaigns are not present, as far as we know though there are reports of deaths in the concentration camps.

Another relevant fact in the pre-totalitarian condition of the CCP is the “criminal” nature of its political organization. As discussed in detail in chapter 9, many, perhaps most high level officials, run “pyramids,” that is, organizations of lower level officials operating illicit money-making ventures that receive protection from the higher-ups. This is beyond doubt as the current Anti-Corruption Campaign has demonstrated on a massive scale. The relation to totalitarianism is that a corrupt organization feeding on illicit moneymaking activities is just a short step away from other illicit activities. Totalitarianism is ideology-driven crime. Without the rule of law or even rule following organizations, totalitarianism in the early stages is a mere intensification of criminal activity, not a change in character. The CCP has gone from extreme fanaticism to extreme corruption and thus can return to fanaticism, if ideology once again organizes men and women. Fanaticism and corruption are the result of the same phenomenon: A breakdown in moral traditions.

In the case of the CCP, fanaticism and corruption are both forms of domination. This is another reason the Chinese political system is extremely fluid or unstable in addition to the leader-fighting factions theme discussed above. Without working moral controls, ideals can take on extreme levels of aggression as in totalitarianism. There are no moral constraints to stop it. This led to the worst twentieth-century slaughters, as populations accepted the most extreme ideologies for their consistency, no matter how absurd and violent. Corruption is a mere reversal of pathological idealism, its opposite, an utter loss of ideals, only selfish greed is left. In both cases, the moral community is inoperative. As Xi increases ideology to fight corruption, the risk of totalizing ideology is possible as there is neither law nor moral community to stop it.

Finally, the role of blood relations in Chinese society and politics is a risk factor. During the Cultural Revolution, the Red Guards who used violence to carry out Mao's directive to "bomb the headquarters," were the children of high-ranking officials and military officers. Like the Party of Princes now, they believed they had a right to rule China because their fathers had carried out the Communist Revolution. In other words, the centrality of blood relations in traditional Chinese culture merged with Mao's totalitarian socialism to motivate the violence and killing. The emotional attachments of families, the identity and status of class, and the collective mysticism of Mao merged to create total commitments where killing or being killed was broadly accepted.

The fact that blood relations are still central in both Chinese society and politics creates a risk factor. CCP ideological movements incorporated blood relations once; they can do so again. The Nazi totalitarian movement used blood relations, though not involving families but races. The striking contradictions between Mao's collectivism and Red Guard claims of elite status based on blood and thus exclusion demonstrate the intensely irrational motivations behind the Cultural Revolution. Still today, the merger of the emotional nature of family attachments characteristic of Chinese politics with the totalizing potential of communist ideology, is a risk factor for extreme political action in China.

INDOCTRINATION

On the face of it, the Communist Party appears to have considerable support from the population. Sure, there are protests, but one sees little of this in the major cities. During my time in China, it was common to hear foreign observers (including from Hong Kong) refer to China as a "tinderbox," primarily concerning income inequality. Certainly, this is a problem, but a growing "middle class" is a counterweight. More importantly, when the government asks the population to participate in a campaign, the population for the most does participate. During the current

Anti-Corruption Campaign, the public has been very active reporting excessive spending by government officials. Numerous other campaigns show similar patterns. Hence, the question remains, why does a corrupt, repressive, and often harsh government enjoy popular support?

First, it is a tradition. Chinese government has always been dictatorial and often harsh. Chinese have also known great disorder, hence the many who benefit are very happy with today's political stability, growing economy, and improving standards of living. The level of economic success is a surprise, the Chinese are very proud of it, and are taking every opportunity to participate in it. Political participation is another kettle of worms. They almost never had it, so do not feel a sense of loss. Many worry that introducing it could lead to chaos, which is their biggest fear. Thus, they focus on making money, and many do not think even that opportunity will last forever. Despite their great past, the Chinese do not look long into the future. They know from experience that disruption can break out at any time.

More importantly, the education and propaganda systems socialize the population into compliance. Political education starts in preschool and goes through all higher levels of education. The education system supports the propaganda system and the police forces. Fear is undoubtedly a factor in compliance. Equal or more important is education, especially education of the young. Values and social orientation establish early in life. Chinese children socialize into obedience and loyalty to the Communist Party. According to my data, the focus on political education for the young has intensified since the Xi regime came into office. Instead of revolt, the data suggests compliance and loyalty to the Communist Party might intensify in the future. Indeed, as Guobin Yang argues, the Cultural Revolution was the result of decades of preparation in the schools where students train in self-abnegation, leader worship, idealization of the abstract collectivity, and self-sacrifice for the nation, "socialism," and the Communist Party. Enemies define and age-old tropes characterize them as "monsters and demons" who must be stopped, killed. Youth factions used this language during the Cultural Revolution, as did Mao and his inner circle.

Enforcing this structure is not just the police and punishment, but an army of hidden informants and interpenetration of Communist Party cells through the entire structure of Chinese society. Chinese society wears a communist straitjacket that monitors, limits, corrects, and punishes. The Chinese have opinions about their government, but their opinions are inseparable from the Communist Party's education, socialization, monitoring, and punishment systems. The Communist Party was able to direct the population toward political interests yesterday and economic interests today with considerable success. I suspect the new effort at re-politicalizing will be successful as well.

My analysis suggests that neither education abroad nor generational change will alter the Communist Party's control of the population's compliance and obedience. I argue that education abroad does not necessarily change a Chinese student's political orientation, and if it does, she might not return to China. More importantly is the mighty force of nature, generational change. The Communist Party is very aware of this potential threat. It has taken measures to slow it down by recruiting cadre from less cosmopolitan parts of the country into its ranks, to counter culture changes in large east coast cities. For both education abroad and generational change, the effect on Chinese politics is uncertain. What is certain is that people with new ideas face massive established political structure that has its defenses not only in place, but anchored deeply in the status, economic, career, technology and information systems.

A key test for the population's perceptions of their government is attitudes towards the rule of law. The legal system is growing and developing but is still tightly controlled by the Communist Party. Despite having a developing system of law, China does not have the rule of law. The legal system produces the outcomes the Communist Party wants it to produce. More telling, there is not a *consciousness of law* developing in the population, despite the fact that participation in the legal system is growing significantly. This is perhaps because other cultural patterns—collective orientation, mediation processes, and informal networks, for example—change the nature or perception of law as it enters Chinese society. In any case, the attitude towards law supports a dictatorial system of government more than a democratic one.

Another great hope for liberalization in China is the “middle class,” which is now 400 million people. However, my analysis shows that the middle class fears chaos and the lower classes more than they fear the government. They support the government and want the government to maintain order and protect them from the lower classes. They fear democracy and what it might bring if the lower classes get the vote. At this point, they seem happy to accept government repression and even predation over political equality. Income earners hedge their bets by moving their money and families abroad and are prepared to follow, if things go south on the mainland for any number of reasons.

The one significant challenge to Communist Party hegemony was Hong Kong, which for years has protested the Communist Party's creeping controls with large-scale street protests, recently growing more and more violent. As I write in August 2020, however, Beijing has finally reacted, clamping down on the protests by sending in its own security apparatus accompanied with new “national security” laws giving authorities vast powers to investigate and punish any threats to Communist Party sovereignty. Penalties for violators saw a significant increase, including up to life in prison. Hong Kong political, legal, press, and academic freedoms saw a crushing blow.

The Hong Kong protestors, mostly students, were fighting for their future. Their education and socialization are very different compared to their mainland counterparts. Even though they never had much chance of success with their disobedience, self-organizing, and demand to participate in their governance, they demonstrated an alternative to the mainland's dictatorship. They were willing to risk their freedom and well-being for their way of life. Time will tell if their effort was the last breath of Hong Kong civil society, or a contribution to mainland consciousness. Today it is difficult to be optimistic.

The crucial point about events in Hong Kong is that the protestors do not accept Communist Party hegemony. This is a sharp contrast to the mainland population. Indoctrination is the main reason for this difference. The Communist Party indoctrinated the mainland population into its controls, but not the people of Hong Kong. Indoctrination removes understanding arrived at by critical thought and replaces it with set opinions. Indoctrination has affinities with totalitarianism in that they both seek to control thought. It is a matter of degree before indoctrination becomes part of a totalitarian system of control. The protestors in Hong Kong took great risks in the face of overwhelming odds to avoid going down this road.

CENSORSHIP

Like indoctrination, censorship is an essential part of the structure of totalitarian domination. Dictators commonly use it, but once in place it is only a matter of degrees before it takes on totalitarian dimensions. It can be increased or decreased simply through changes in policies.

In China, it is important to note that censorship relates to violence in a number of ways. First, if one violates censorship rules, punishment could result. For example, censorship rules on the Internet are strictly enforced. One can go to jail for making a joke on the Internet about police doing traffic stops in the rain. During the Cultural Revolution, fanatical enforcement of censorship could easily result in humiliation, robbery, beatings, and death.

At some point, censorship enforcement crosses over from enhancing government power to maintaining self-esteem and psychological integration of the committed. This is why enforcement can become irrationally violent. The psychological stakes are very high. They become questions of identity.

The brutal attacks on teachers throughout the Mao era reflect attempts to maintain identity through destruction of the psychological threat. Specialists in presenting and evaluating knowledge, the mere existence of teachers and intellectuals represent a threat under conditions of cultural disintegration. Teachers and intellectuals become intolerable even if they

do not criticize the government, because their very existence implies alternative viewpoints.

Under conditions where society has deteriorated, where a cultural consensus has fragmented, teachers can become scapegoats. In China, the historical relation between teachers and wealth has magnified the problem. The educated represented the elite of the imperial system. The communists condemned both the educated and the wealthy as the same oppressive class. During the Cultural Revolution, for example, teachers who had taken no action against the communists were labeled reactionaries and violently attacked. Hence, censorship functions both on the political level when it restricts understanding and thus the distribution of power and on the psychological level when it becomes a projected defense against psychological disintegration. The two levels are related.

One response to the use of violence to enforce censorship is self-censorship. The individual consciously or unconsciously blocks censored materials from social communication and/or internal awareness. In my data, the former is quite widespread in China. It dovetails with indoctrination in that, for example, history taught in schools presents a particular narrative of history and criticism of that narrative or entertaining alternative narratives is self-censored. This can take place on conscious, semi-conscious, or unconscious levels.

The political result of self-censorship is an increase in government power. The individual is compliant, supporting the government and avoiding actions the government forbids. This is related to obeying the law, but is a much more general or pervasive phenomenon in the sense that it also covers many beliefs, values, opinions, behaviors, thoughts, feelings, and actions that are not illegal, just unwanted by the authorities. Censorship, then, is part of the very tissue of dictatorial regimes. In totalitarianism, it reaches its fullest expression: Self-censorship occupies the conscience.

Under totalitarian conditions, as was seen in the Chinese diplomat in Cuba, the individual can become emotionally empty, mechanical. The diplomat functions in his job as if a robot. He did his work, but his human feeling was missing. The natural existence of a human being integrates feeling and thought. In this case, the diplomat found his feelings to be incompatible with external reality and removed them. According to his son, the diplomat's family relations were emotional. A type of splitting process is involved here where emotion is compartmentalized. Importantly, according to the data, the diplomat was completely functional at work while having no feelings about what he was doing.

In this situation, without feeling, the individual becomes completely moldable. Feeling is essential for evaluation, judgment, and conviction. Humans use feelings to experience and organize reality. When cognition takes place without feeling, ideas and actions lose their moral dimension. They become mere objects without human value. Totalitarianism is a sub-

human world. The fact that individuals can experience feelings at home, but remove them from work, conceals the horrific psychological change that has taken place. Self-censorship splits the individual into parts. It runs the gamut from avoiding certain thoughts or awareness to the removal of emotions and moral judgment from experience.

This discussion takes us to the relation between remembering and forgetting, which is a central theme in this book. As was just discussed, self-censorship in extreme cases can internalize external authority, like government dictates, inside the individual, becoming the individual's conscience. Internalization can come about through terror under totalitarian conditions, or through indoctrination over years. In either case, the result is the same: The forgetting of forbidden ideas, feelings, and thoughts. This is one explanation for the explosive nature of the Cultural Revolution: The repression of self from years of communist indoctrination exploded into the public sphere, unleashed and channeled by a manipulative leader.

It is a key aspect of censorship, self-censorship, and terror that buried feelings can return. Censorship, even in extreme cases, never destroys the censored materials. Short of killing the individuals whose memories they are, the totalitarian solution, the memories disappear into pre-conscious or unconscious parts of the mind. From there, they can return. The hatred and violence that emerged during the Cultural Revolution did not appear from nowhere. Guobin Yang argues they were the result of years of indoctrination in the education system. While Yang notes the politics of education, he does not recognize the repression of status, especially the role of the Red elite. The irruption of repressed class envy is one reason the "revolution" was so brutal. Mao was a master of envy management.

The Cultural Revolution and much of the Chinese history under the communists is missing, forgotten. China is a society with a politically enforced bad memory. For this reason, the potential for disruptive return always exists. This is the cost of repressive regimes, one reason why stable surfaces can suddenly change into violence or criticism. The fall of the Soviet Union is an example. Given China's totalitarian past and the repression of much of this past, China's culture is anything but stable. This is another reason China is "unruly" and requires a strongman at the top. Through their censorship regime, the communists have created and continue to create a political culture that requires their dictatorial presence to stabilize.

Censorship, especially under totalitarian conditions, creates a condition of repressed memories likely to return in disguised and distorted forms. Germany is the opposite example, where conscious recognition of their totalitarian past brought the memories back into the public sphere for review, debate, and working through. Even after decades, the process continues, and pressures to repeat exist. Such is the case with severe

trauma and the cognitive and emotional difficulties processing the totalitarian magnitude of sub-human brutality.

It is in this context, when President Xi's return to one-man rule, president for life, cult of personality, Cultural Revolution language, and government-wide punishment campaigns became central to his leadership, that the question can be raised, what mixture of reason and repetition are involved in his actions? Certainly, we know these behaviors. For Xi, they were part of his formative years when he and his family suffered.

Xi is trying to build a society around economic growth, which requires sustained rational behavior, a central reason Mao could not maintain it, and the reestablishment of the communist values of collectivism, equality, and harmony domestically, and the projection of military strength abroad. To accomplish these goals, Xi has made every effort to concentrate power in himself. There are tensions enough in his goal set, and to accomplish them will be very difficult. If, as it appears, he is repeating the Mao model under which he suffered to overcome his past, then there is a good chance the same results will repeat, too. The increased politicalizing of society and censorship that he has implemented will not lead to the "moderately prosperous China" that he seeks, but to a decline in what Deng Xiaoping started.

In this sense, then, both totalitarianism, because of the violence to the individual that it produces, and "post-totalitarianism" under dictatorship, which maintains high levels of censorship, are liable to repeat, in one way or another, totalitarian patterns. As was just discussed, President Xi is an example of this phenomenon. I am therefore arguing that China was never post-totalitarian. Because of the original violence and continuing censorship under the dictatorship that followed the Cultural Revolution, China went from a totalitarian state to a pre-totalitarian culture that is under continuous pressure to repeat totalitarian patterns of behavior.

The shocking reports coming out of Xinjiang concerning the systematic, purposeful, brutal, and high-tech liquidation of a culture, would seem to confirm this conclusion. Germany is post-totalitarian; China is not. This does not mean China must repeat totalitarian patterns, though it is under psychological pressure to do so. This is why it is pre-totalitarian.

TRAUMA

It is one of the themes in this study that the Chinese have experienced continual violence through most of the twentieth century, including in the second half of the century after the communists "stabilized" the country. Waves of violent purges during the Mao era, forceful reorganizations of society, intolerance of any competing views, criticism, or autonomy, and domineering indoctrination and censorship have left the population

in a cultural straitjacket. The controls have been so complete that the population, like a fish that does not know it is in water, does not recognize the harsh conditions under which it lives. The Communist Party has channeled its life choices.

In this study, I have focused primarily on the brutality of the Cultural Revolution because it lasted so long, affected many of the people I interviewed, and involved much of Chinese society. Because of the widespread humiliation, intolerance, robbery, torture, and murder that took place, the Cultural Revolution was traumatizing—that is, emotionally overwhelming and psychologically scarring. To a considerable extent, the Communist Party repressed these experiences. They tried to put the Cultural Revolution in the past and forbid open discussion and review of the effects it had on the society, that is, on individuals.

The Cultural Revolution was totalitarian in its use of terror to reorganize society according to an ideology. It intensified totalitarian trends in Communist Party governance that were there from the beginning of the establishment of the People's Republic of China. The Cultural Revolution was unusual in that it involved youth groups as the main social carrier of terror. The goal was to destroy the Communist Party and replace it with new leadership and institutions whose qualifications and organization were vague at best.

The brutality, duration, and betrayal of the Cultural Revolution left lasting and buried damage to large parts of the population. It is in this context that I argue the psychological trauma and its repression through society-wide censorship and a regime of fear leaves the country in a pre-totalitarian state. The buried trauma could reemerge in the governance of the Party and the response from the population. A return of the repressed is possible, even likely, though this return would most likely take disguised and distorted forms. I argue that President Xi's return to one-man rule, the cult of personality, and dominance through a society-wide extra-legal punishment campaign are signs of just such a return.

A key driver of the trauma-repression-return dynamic is the way the trauma took place. In classic totalitarian fashion, Mao involved the population in the terror, not just as victims, as perpetrators too. Many people have blood on their hands from the killing of the landlords in the early 1950s to the attack on "counter-revolutionaries" during the Cultural Revolution in the mid-1960s. This involves *psychological* repression, separate from the government's *political* repression of the Cultural Revolution. Individuals have their own incentives to "forget" what they did during these events. Hence, repression is both top-down and bottom-up. The structure is mutually reinforcing.

Mao's drive to create the perfect society at the end of history and his willingness to use terror to destroy political resistance and social and cultural traditions that he believed were blocking his goals, greatly damaged levels of trust and morality in society. Beyond the political, econom-

ic, educational, and personal destruction, civil society—that is, the shared concerns for others and the community as a whole—was in tatters. The destruction was so intense it left its mark inside families.

This left China a pre-totalitarian. Totalitarianism arose in the twentieth century from the decline of traditional values and institutions, replaced by the bourgeoisie and its central character type, the autonomous individual. Nothing proved easier than recruiting killers or moldable masses from the ranks of individuals with little to no attachments to communities. The lack of moral commitments, once political and economic crises materialized, led to a desperate need for consistent beliefs that totalitarian leaders filled with ideology.

Chinese culture suffered attack after attack at the hands of the communists. These attacks continue today in Xi's attacks on religion. What remains is not Confucian, Taoist, Buddhist, or socialist. The destruction and confusion contributes to China's chauvinism. For the past four decades, the communists have offered materialism to replace the great civilization they so badly damaged. Currently, President Xi is trying to re-discipline communism inside the Communist Party and in society generally with doses of Confucianism thrown in. It is clear none of this enters the individual's interior. Yet human beings cannot live by bread and anti-corruption campaigns forever.

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