The Connection between Economic Development and Democracy: Prospects of Democracy in Contemporary China

Ali Jibran and Manzoor Khan Afridi
International Islamic University Islamabad

The main objective of this paper is to explore prospects of democracy in contemporary China in presence of unprecedented economic growth since late 1970s. Chinese political system has created huge controversy as some scholars are of the view that massive economic development will not usher in liberal democracy because of Chinese Confucius culture. The main finding of this study is that China is most likely to become a democracy and will join the society of other democratic states in near future. This study has been divided in three sections. The first section presents a short analysis of contemporary China’s rise. The second section deals with the connection between economic development and democracy. The third section presents an overview of analysis of the scholars who are less hopeful of future of democracy in China. After discussing their point of view, the third section suggests that why such arguments do not hold ground and why prospects of democracy are bright in near future in China.

Keywords: economic development, democracy, China, culture

Some scholars take democracy and Chinese Confucian culture as antithesis to each other, therefore, they suggest that China can never be a democratic country. They problematize the modernization hypothesis that economic development culminates in democracy because they suggest that if such was the case then China, which is second largest economy, should be democratic state now. However, this study suggests that such arguments do not hold ground because China is only half way through its industrial development because more than 50 percent Chinese still live in countryside. Therefore, the modernity hypothesis is not yet fully applicable to China currently. This research suggests that China is likely to become a democratic state in future and will join the community of democratic states as a responsible democratic economic power. This research is divided in three sections.

The first section describes the development trajectory of China. It has been argued that during the period of Chairman Mao Zedong, China adopted an isolationist and ideological approach. However, that approach did not resolve the economic problems of China. Therefore, after death of Mao, Deng Xiaoping transformed the economic approach of China. Through Open Door Policy, foreign investment in the China was encouraged. Since then, China achieved unprecedented economic growth as China has become the largest exporter, second largest economy, second largest importer and a hub of foreign investment.

Correspondence concerning this article should be addressed to Mr. Ali Jibran, PhD Researcher at Department of Politics and IR, International Islamic University Islamabad. Email, ali.jibran33@gmail.com

Contribution of Authors
1. Ali Jibran conceived the idea of the paper on the topic, drafted it, did theoretical analysis and conducted literature review. This study was part of his thesis conducted under the supervision of Dr. Manzoor Khan Afridi, IIUI.
2. Dr Manzoor Khan Afridi helped in the process of theoretical analysis and critical revision.
The second section deals with the connection between economic development and liberal democracy. The literature has been presented that shows the positive link between economic development and liberal democracy. The common theme presented in the third section is that economic development creates educated and business-minded class. This entrepreneurial class is very careful about protecting its economic interests through actively participating in politics. Therefore, it becomes impossible for the non-democratic regimes to politically curb such a class.

The last section problematizes the argument of those scholars who are less hopeful about prospects of democracy in China. At first the view of such scholars has been presented mainly through four arguments: China being a civilizational state, massive population of China, unique Chinese political system and Chinese humanistic economics. However, after discussing these views, this section suggests that already urban population has started demanding certain political rights and this demand will intensify in future. Similarly, it is argued that Confucian culture cannot be taken as entirely anti-democracy as certain Confucian values are near to democracy. Furthermore, Chinese Communist Party (CCP) cannot be taken as a unanimous political party as there are different groups within CCP having different views regarding political future of China. Such political diversified approach within the political elite can work as a catalyst of transition towards democratic China.

**China’s Contemporary Rise as a Global Economic Power**

The global transformation happened in the 18th century transformed the overall global structure as a few countries of western Europe through the prowess of technological superiority, monopolized the different regions throughout world. China, which had been a civilizational power before the industrial revolution in Europe, became the special target of Britain and Britain imposed unequal treaties with China to lower tariffs in the 19th century. The British produced opium on its plantations in different parts of India and flooded the markets of China. The Chinese ruling elite had no other option than to let the import of opium in Chinese territory because technologically Chinese were lagging far behind their western counterparts. When China resisted import of opium, it had to face ignominious defeats in the two Opium Wars. The West’s disposition to win colonies at every cost, plunder resources and employee massive and powerful mercenary armies put a halt to Chinese status as one of global power. As a result China was forced to appease the British, open its markets and surrender local sovereignty (Petras, 2012). As a result, two classes emerged in China: a comprador Chinese elite whose interests were in harmony with those of aggressive foreign powers and the Chinese masses whom fate was starvation.

Till 1920s, China was not anymore a unified sovereign state because of the western economic imperial policies and Japanese invasions. Hundreds of millions of Chinese masses starved to death or were slaughtered by the Japanese. The Chinese comprador class was also declared responsible for wretched status of the Chinese masses. In this context, a communist group named People’s Liberation Red Army stood against the oppression and defeated the Japanese imperial army and then US backed comprador Kuomintang National army. Through the endeavors of People’s Liberation Red Army, China was reunited as a sovereign state and extra-legal privileges to the foreigners were terminated. The Communists reconstructed the Chinese economy which was embezzled by imperial wars and plundered by the European and Japanese imperialism. After the end of ‘the century of ignominy’, socio-psychological confidence of the Chinese was revived. The Communist government under the leadership of Mao Zedong introduced agrarian reforms and provided credits, land, technical assistance and infrastructure to the hundreds of millions of destitute Chinese masses. Infrastructure got the special attention of the communist government as the massive programs of bridges, roads, canals, airfields and the railroads were commenced. The Chinese government transformed its strategy in late 1970s when the government introduced ‘Open Door
Policy’ under the dynamic leadership of Deng Xiaoping. The Chinese economy was opened to massive foreign investments and hundreds of industries were privatized. Technical knowledge was borrowed to access foreign markets and the powerful foreign firms were offered cheap and plentiful labor (Petras, 2012).

The class struggle of Mao’s era was replaced by drive towards economic development during Deng Xiaoping’s era. The new economic approach was to open coastal areas of China for the foreign investors. The new approach worked wonders for China as China’s pace towards modernization was even faster than that of the British during their industrial revolution. Following are some statistics that represent China rapidly growing economy.

Goldman Sachs predicted in 2007 that Chinese economy would be of the similar size to that the United States economy till 2015. Furthermore, the Chinese economy would be the largest economy in 2025 and it would be almost twice to the size of the US economy in 2050 (Wilson & Stupnytska, 2007). By nominal GDP, Chinese economy is the second largest economy in the world (CSIS, 2018). Chinese GDP has increased more than 18 fold since Open Door Policy. China has replaced Germany as largest exporter in 2009 (Weiwei, 2012). In terms of manufacturing, China is the largest economy globally. Similarly, China is the world’s largest goods’ exporter (Sims, 2013).

In addition to this, China is fastest consumer market and world’s second main importer of goods (Barnett, 2013); largest trading country globally (Scott & Sam, 2016). The financial crisis that shook the economies of the world, could not cause negative impact on Chinese growth. When economies of developed countries like the UK, the US, Japan, Italy and France were engulfed by the financial crisis; Chinese banks continued healthy balance sheets (Jacques, 2012, p.5). About a decade ago, the West was of the view that the Chinese could not excel in banking sector, but in 2010, three out of five largest banks in the world were owned by China. According to the statistics of the World Bank, more than 70% of reduction in poverty in world has been achieved in China. The immense economic power of China has enforced the US to offer idea of G2 because the US understands that it is unable to solve any important problem without the support of China (Weiwei, 2012, pp. 5-6).

The Literature on Relation between Economic Development and Democratization
There is extensive amount of research by the scholars that show the positive link between economic development and democracy. Martin Lipset’s article titled, ‘Some Social Requisites of Democracy: Economic Development and Political Legitimacy’ in 1959 became one of the most cited and perhaps controversial article in social sciences (Diamond, 1992). Martin Lipset presented his thesis in the article in very straightforward way that democracy is directly related to economic development. Therefore, a country that is on track of economic development is highly likely to democratize (Lipset, 1959). This view of Lipset influenced modernization theory and became central theme in the theory (Diamond, 1992). Huber, Rueschemeyer and Stephens (1993) also investigated
the relation between economic development and democracy through analytic induction that relies on comparative historical research. Their result suggested that economic development and political democracy were directly related because capitalism inherently transformed the social relations. Therefore, the enlarged working and middle class seek their interests actively and it becomes highly difficult for the ruling elite to politically curb the working and middle classes. On the similar lines, economic development breaks the power of landed elite through giving more space to the middle and lower classes (Huber, Rueschemeyer, & Stephens, 1993). Landman applies linear and non-linear comparative literature models and time series data on Latin American states and suggests that hypothesis of modernization theory regarding development and democracy is empirically testified (Landman, 1999).

Barbara Geddes notes that there is very ‘strong’ evidence that democracy exists in developed countries, therefore a direct link can be formed between economic development and democracy (Geddes, 1999). Similarly, Jackman also opines that there is enough empirical evidence that economic development culminates in democratization (Jackman, 1973). Bollen explored the nexus between development timing and democratization. He refutes the common view held by some social scientists that there are little chances that the late developers can move towards democratization as compared to the early developers. He suggests that economic development goes hand in hand with democracy and the countries where state control on economy is less, they are in favorable conditions to democratize (Bollen, 1979). Burkhart and Lewis also approve the direct relation between economic development and democracy through time series analysis. By applying Granger tests, they suggest that economic development influences democracy, however democracy does not cause economic development (Burkhart & Lewis-Beck, 1994). Robinson also opines that the countries, where per capita income is greater, are highly likely to democratize (Robinson, 2006). Common held belief is that democracy can exist under capitalist societies. Karl Marx took domestic bourgeoisie as the main force through which democracy emerged in Europe. He suggested that the bourgeoisie took control of the state through democratic mechanism and parliamentary system from the traditional elite (Arat, 1988). Moore studied the role of urban bourgeoisie and middle class in the western democratic transformation (Moore, 1966). Max Weber analyzed the role of Protestantism and individualism in progress of western democracies. Tocqueville explored the role of voluntary associations and social pluralism in development of democracy (Arat, 1988).

**Why Economic Development is Likely to Accompany Democracy in China?**

Some scholars are of the view that despite of the economic development, China is less likely to transform into democratic country mainly because of four factors: because of civilizational identity of China, huge population of China, unique one party system and humanistic economics. In the coming paragraphs, at first such arguments regarding China not becoming democratic in future will be presented. After that, it will be argued that why these opinions are less likely to materialize in future and why China has potential to be democratic country.

At first, China is presented as a special country, therefore, simply following the transition towards democracy like the other developed countries does not seem justified according to such views. Martin Jacques suggests that China should not be considered as a nation state because Chinese identity has been of civilizational state. It is only China that has been present within the same borders since the last two thousand years. Some Chinese claim their roots in history as ancient as 5000 years (Jacques, 2012, p.17-18). Nation state refers to some common characteristic like religion, language, culture and civilization. Europe has been the land of birth place of nation states after the Treaty of Westphalia in 1648. It was nationalism that influenced modernization in Europe, but it also became the key problem behind wars and conflicts. A number of nation states emerged in Europe in
the 18th and 19th century. In the western discourses, there is a tendency to consider a state as nation state and vice versa (Weiwei, 2012, p. 48). Contrary to nation state, civilizational state has strong affinity with its cultural and historical traditions and does not simply imitate the other nation states (Weiwei, 2012). Therefore, according to this analysis China will consider itself in terms of civilization and not emulate the political systems in Europe. Thus, future of democracy in civilizational state of China, according to such analysis, seems bleak.

Secondly, democracy is not presented as a viable option for China because of huge population of China. Veenendaal and Corbett suggest that democracy is ideally suited to the countries that has less population (Veenendaal & Corbett, 2014). China has population of over 1 billion in the 21st century, which means that China is home to almost one fifth of population of world. An average European country can be considered as having almost 14 million of population. In this sense China is around of the size of 100 European states. Why China is different to other populous nations like India, Brazil and Indonesia and the US, is that 92% of the Chinese claim same race_ Han Chinese. This has been made possible through the longevity of the Chinese nation. The sense of unity has been achieved through processes of absorption, mixing, assimilation and effective elimination of diverse races over a period of thousands of years (Jacques, 2012). Therefore, according to Martin Jacques, Western liberal democracy that may be ideal for a country having low population and high diversity, cannot be applied successfully in a civilizational state like China which has been home to population more than 1 billion and where 91 % population hails from same race (Jacques, 2012).

Thirdly, Chinese political system of One Party System is taken as a main hurdle in emergence of genuine democracy. It is suggested, in such studies, that traditionally Chinese do not question their authorities because of Confucian teachings. Therefore, system of democracy in which the authorities are questioned for their performance is alien to Chinese society. The Chinese look at the state with reverence and consider Chinese state as custodian of Chinese civilization, therefore the Chinese have spiritual affiliation to their state. The level of respect that Chinese state enjoys is unprecedented in the West as the Westerners take state as stranger, outsider and interlocutor whose role should be confined (Jacques, 2012). The civilizational state of China has governance system that is based on the conditions that are shaped inherently in China. Henry Kissinger notes that only China is the singular state as it has a continuous civilization that has intimate relation with its past and present (Kissinger, 2011). Though reforms are being introduced in China gradually but these reforms are intended to bring economic prosperity, therefore no macro political change is deemed necessary (Jacques, 2012).

The fourth point is Chinese humanistic economics which cannot prosper in western type democracy because the Western liberal democracy is inextricably connected to the rise of capitalism that is established on the basis of ‘self-interest’. Adam Smith suggested that state should not interfere in the economic sphere as all the economic anomalies would be solved by the ‘invisible hand’ of free market. Furthermore, Smith said that if anyone would pursue his self-interest, it would cause positive effect on economy at macro level (Myers, 1983). However, Chinese economics has not been market economics, rather it should be considered as humanistic economics that has been linked to overall development of the state rather than based only on profit maximization. Rather than leaving the citizens at the mercy of market, Chinese state can interfere in economic sphere to promote economic welfare because ‘mandate of heaven’ is intimately connected with provision of amenities to the masses. If the Chinese state fails to deliver to masses expectations or prove unable to cope with natural disasters, then it will lose ‘the mandate of heavens’ and people may stand against it (Weiwei, 2012, p. 65).
However, the current study suggests that these views have little relevance to contemporary China. At first, in recent history, various countries adopted system of democracy, regardless of their culture, especially after the end of ideological tensions of the Cold War. In the third wave of democratization, twenty seven out of thirty-one states which moved towards democracy, were middle-income countries (Liu & Chen, 2012 ). However, sufficient economic performance of a country can be considered as an important precursor of democracy. Furthermore, economic growth and industrialization are regarded as the forerunners of democracy. According to a study, a country’s GDP per capita of $1,000-$6,000 is a viable sign of the country’s transition from dictatorship to democracy (Przeworski & Limongi, 1997). According to the statistics of Trading Economics, Chinese GDP per capita PPP reached to impressive $15308 in 2018 (China GDP per capita PPP, 2018). Cristopher Earnest suggests that according to IMF analysis, China will join club of high income countries in 2030. Visible improvements have already been observed in living standards of Chinese. Chinese have been allowed some level of personal freedom, though it is still non comparable to developed liberal democracies. The Chinese want their voices to be heard in the power echelons. The recent demonstrations in which local government bodies were harshly criticized suggest that mobilization in Chinese public has started because economic amelioration is inextricably related with political liberalism. Once China’s economy becomes fully mature, demand for political freedom is surely to increase. The transformation of developed Western countries from monarchies to democracies occurred in the similar way. During the spread of industrialization in the West, the bourgeoisie had to accommodate the demands of the lower classes. Even Benjamin Desraeli, the conservative Prime Minister of the Great Britain, had to allow universal male suffrage and Bismarck, the German Chancellor, had to introduce programs of social welfare to pacify the revolutionary workers (Barber, 2014). Therefore, according to this analysis, the pre-requisite of democracy is about to be fulfilled in China. Moreover, diversified economy is another important ingredient of democratic transition. Chinese economy is well diversified, therefore, prospects of democracy in near future are very bright (Vanhanen, 1997).

In the face of economic development, the gap between public expectations and government performance matters a lot. If a government is not functioning according to wishes of its people, it may suffer legitimacy crisis. Though Chinese state is still very strong as it has all the fiscal and economic tools but the expectations of ordinary Chinese are rising fast. The young generation of China do not has the revolutionary memories that their senior generations still have in their minds. Wang Zhengxu thinks that the Chinese who are born after 1980 do not have trust blindly in their government (Wang, 2010). Since the journey towards economic amelioration, the number of protests have been increased. More than 90,000 protests were recorded in China in 2006 and the number of protests exceeded 180,000 in China in 2010 (Freeman, 2010). The protests of such a massive number suggest that the culture argument that Confucian culture advocates pacifism is not practical in contemporary China. The traditional media has also been rapidly shifting in China as despite of considerable government censorship, a number of newspaper and magazines are emerging that have liberal tendencies.

Another factor that why China is likely to democratize along with democracy is increasing level of urbanization. There are empirical evidences that urbanization generates political change through coordinated public actions and effectiveness enhancement of the protests. Secondly, massive levels of urbanization creates anti dictatorship demands in the cities. Thirdly, cities create sense of ‘civic capital’ which helps the citizens demand for institutional efficiency (Glaeser & Steinberg, 2017). Similarly, Bogdan Dima, Nuno Carlos and Stefana Dima (2011) suggested through empirical research conducted in 56 developing countries between 1982 and 2007 that countries with improving levels of urbanization tend to be democratize (Dima, Leitao, & Dima, 2011). China
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performed exceptionally well in improving level of urbanization in post Maoist era as Martin Jacques suggests that in 1950, 85 percent Chinese were working in agriculture sector; however, right now only 50 percent Chinese work in agriculture sector. Urban population in China was 17 percent in 1975, and now it increased to 46 percent in 2015. Moreover, the level of urbanization in China is quicker than the levels of urbanization in Germany, France and England during their development phases in the 18th and 19th centuries (Jacques, 2012, pp. 121-122). Therefore, this exceptional level of urbanization is bound to create demand of political liberalism in China and the Chinese political elite will have to accommodate their demands.

Some scholars are of the view that Chinese culture promotes patriarchy and authoritarianism (Pye, 1988), therefore, Chinese culture is antagonistic to democracy. However, this argument does not hold ground because culture is not a static phenomenon and it transforms along with technological and societal transformations. Anthony Giddens clearly demarcates in modernity and pre modernity periods. He suggests that in pre modernity periods, love of past is the most noticeable thing; however, in modernity, people tend to think ‘forward looking’ (Giddens, 2013). Therefore, it can be argued that economic development in China will make the people thinking ‘forward looking’ or about their future than taking their past as the most sacred thing. Furthermore, Confucian culture is not hostile to the democratic values as some scholars are of the view that in fact Confucian beliefs in essence are pro-democratic. Moreover, such analysis suggest that Confucian culture is compatible with democratic institutionalism (O’Dwyer, 2003).

It should also be noted that Chinese political elite is not essentially a monolith entity and sometimes, it seems to be split in certain factions. Political diversity is key to democracy, therefore the difference between hard liners and soft liners usually proves as a harbinger of democracy (O’donnell, Schmitter, & Arnson, 2013). Therefore, according to this logic, the presence of traditional and liberals in the Chinese Communist Party and their different opinions can prove a key to democracy in China. In hard-liners and soft-liners debate, the soft-liners seek support from civil society which in return makes civil society powerful. Feng Chongyi analyzed the influence of the democrats within the CCP since 1989. He suggests the democrats are becoming popular as they have very rich experience in practical politics as well as in academic field. The democrats, who are some of retired academicians and officials within the CCP, have already developed a network and they prefer western style democracy in which different political parties can participate and compete in elections. They publish online, in print media and in scholarly journals in and outside of China. Enjoying seniority within the CCP, impact of the democrats is very strong on the political future of China. In fact, the process of transformation of China from a communist to a liberal state is already under way and historic transition of China towards democracy is visible (Chongyi, 2008).

Tianyong Zhou (2014), deputy head of research at the Central Party School and advisor to the Communist Party’s Central Committee, is of the view that China is very likely to present massive political and institutional reforms by 2020 in which public will be allowed to participate extensively through a number of non-government organizations like industry associations, chamber of commerce and other social groups. Furthermore, Zhou said that the CCP wants to announce a 12 years plan of setting a democratic platform. Already grassroots elections in Chinese villages, which are counted as more than 660,000, are conducted. More importantly changes are visible in even larger cities like Guangzhou and Nanjing in which various posts are being opened for public competition (Moore, 2008). Such factors suggest that chances of China becoming a democratic state in future are very bright.
Conclusion
This research was an endeavor to discuss the future of democracy in China in face of massive economic development. As certain scholars problematize development-democracy nexus in case of China because they take Confucian culture as being the main hurdle in the way of emergence of genuine democracy in China. However, this study, through giving the economic statistics of contemporary China, suggests that China has not yet become a fully mature economy. However, increasing level of urbanization and economic development is generating massive demands of political freedom in urban centers in China. Furthermore, this study does not take culture as stagnant or a fixed phenomenon, therefore it is suggested that Chinese culture is surely to transform because of economic development in future. Moreover, the Chinese Communist Party will have to accommodate the political demands of the Chinese in future, therefore, it can be argued confidently that China will become a responsible democratic country in future.

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