

*Chapter One*

## Overcoming Our Middle Kingdom Complex Finding China's Place in Comparative Politics

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For those who follow China, the country appears to be a mass of contradictions that defy logic. The People's Republic of China (PRC) is led by a Communist Party, but China ranks only second to the United States in number of billionaires. The Politburo Standing Committee has extraordinary power, yet the lowest township and village officials regularly flout national policies. And, perhaps most surprising of all, despite an economic revolution that has resulted in China adopting economic policies and institutions found in capitalist systems and generated social pluralization that includes extensive transnational linkages, democratization seems less likely than ever. There is another kind of contradiction, which is not bedeviling China but rather those of us who study that country. There seems to be a disjuncture between how quickly China is changing and how slowly we are adapting the way we study the country's politics.

Don't get me wrong. Over the last sixty years, China specialists have moved from simply trying to describe Chinese politics to comparing Chinese reality against various theories and offering up new explanations of politics by drawing on the Chinese case. Yet we rarely use a tool that provides the title of the disciplinary subfield in which many China experts reside: comparison (as in "the comparative politics subfield"). The PRC is led by a Communist Party, but it has rarely been systematically compared with other Communist countries. China is now awash in capital, but it is only

infrequently compared (or contrasted) with other capitalist countries. And even though nonstate actors, from businesspeople to peasants, are becoming more politically active—around 80,000 protests take place each year—their behavior likewise is rarely directly measured against that of their cousins elsewhere. The goal of this volume is to demonstrate that, in light of China's capitalist transformation, there is greater utility than ever in examining China through different comparative lenses, for what it teaches us both about China as well as about politics more generally.

*Studying Chinese Politics and Political Economy:  
Different Degrees of Theorizing*

The comparative politics subfield of the political science discipline—and that is the formal home of comparative political economy specialists—is misnamed. We are all at heart specialists in *domestic* politics and political economy, either of a country or region or of a discrete issue, such as the bureaucracy, democratization, or protest. We are attentive to international and transnational factors but typically only in so much as they shape or are shaped by domestic political processes. Under this umbrella, there is wide variation in scholars' goals, research methods, and scope of the data they collect. Some aim at description of political behavior and systems, while others seek to develop theories that contain causal inferences about politics beyond the specific people or events being studied. In so doing, some aim for grand theories that hold across time and space, while others seek to develop "middle range" theories that hold true under a narrower set of circumstances. Domestic politics and comparative political economy scholars employ a range of methods, from qualitative case studies to large-*n* quantitative analyses to formal modeling, or a combination of these techniques. And finally, some scholars obtain their data from a single polity and others use data from several countries, either a small number to allow for focused comparison or a wide cross section to facilitate statistical analysis. For those interested in contributing to theories of politics, no one approach is necessarily better than any other, and there is growing sentiment that scholars should employ multiple methods in order to obtain as authoritative findings as possible.<sup>1</sup>

This book's empirical focus is on political economy questions, that is, issues that involve the politics of economics (such as how political institutions

shape economic policy and business behavior) or the economics of politics (such as how globalization realigns political alliances), but the insights identified here are highly relevant to students of Chinese politics and society writ large. In fact, the boundary between political economy and comparative politics is increasingly blurred. That is especially true in the China field as a growing proportion of Chinese politics scholars—perhaps a large majority of them—do research that engages political economy questions. Hence, it is difficult to speak about trends among specialists of China's political economy without situating them in the broader China field of which they are a part.

Scholars of Chinese politics and political economy run the gamut in terms of goals and methods. From the earliest studies up through the present, there has been a strong area-studies tradition in which description of China in and of itself has been of high importance. Much of this research is straightforward political history, which is perhaps most prominent in work on China's political elites but is also found on other aspects of the political system.<sup>2</sup> There have also been a large number of studies that attempt to faithfully describe certain aspects of the political system that had not been well understood previously, such as China's "democratic" parties and efforts at bureaucratic reform.<sup>3</sup>

Although there are exceptions, the trend toward being more theoretically motivated emerged in the 1980s. Whereas some see description and theory building as entirely competing approaches, it is helpful to consider these research goals along a continuum. Even though few works by Chinese politics specialists have generated new theories of politics that are intended to apply beyond the Chinese case, most scholars are attuned to theoretical issues to one degree or another. At a minimum, they take inspiration from a political theory, concept, or orientation and apply some of its insights to identify regularities or patterns in Chinese politics.<sup>4</sup> Some of these initial efforts then inspired further research that "tested" their original findings. For example, Susan Shirk's argument about the role of the Central Committee as a "selectorate" in shaping the economic policies of the leadership was later examined in detail, with some elements being confirmed and others being questioned.<sup>5</sup>

Since the late 1990s, China scholars have gradually shifted from borrowing theories and concepts to systematically testing them using the Chinese case and even coming up with new theoretical innovations. In some instances, they have done so by offering a new conceptual lens derived from the Chinese experience that can then be applied elsewhere. A prominent

example is the concept of “rightful resistance,” in which protesters use the formal language of rights created by the state to defend themselves to an extent officials did not originally anticipate.<sup>6</sup> But a more common strategy, particularly with regard to political economy questions, is to divide China into discrete units and compare them to each other, thereby increasing the number of “cases” so that there can be multiple values in either the independent or dependent variables being examined. A few scholars, most notably Elizabeth Perry, divide China historically, comparing and contrasting different eras.<sup>7</sup> More commonly, specialists keep their focus on contemporary China and compare across different regions,<sup>8</sup> organizations,<sup>9</sup> and economic sectors.<sup>10</sup>

In addition to comparative (small-*n*) case studies, China specialists are also increasingly compiling large-scale data sets about individual Chinese people and organizations and subjecting them to econometric analysis to examine a wide range of political phenomena. Many such studies are formal surveys geared to measure popular attitudes toward political and social issues.<sup>11</sup> Others are based on a wide range of primary and secondary written sources, from archives to statistical compendia, to analyze all sorts of political questions.<sup>12</sup> Moreover, there is a growing, though still small, cohort of scholars who employ rational choice concepts and models on issues that involve strategic choices among officials, from the most senior elites to mid-level bureaucrats and the lowest of local cadres.<sup>13</sup>

### *Often Theoretical but Rarely Comparative*

This review so far suggests that the reputation of the field of Chinese politics and political economy as simply narrow area studies is unjustified. China specialists have been integrated into the rest of political science and other social science disciplines. However, there is one way in which the China scholars of today resemble their counterparts of earlier generations. They are still extremely hesitant to engage in cross-national comparative research.

Through the first thirty years of the PRC, the total number of comparative works could be counted on one hand.<sup>14</sup> Their frequency has risen only slightly in subsequent years, with one or two comparative piece of scholarship annually since the mid-1990s. In addition to the infrequency of such

work, many of these studies are only weakly comparative. Single-authored studies most commonly explicitly reference the experiences of other countries in the introductory or concluding sections of their books. Doing so helpfully contextualizes their China research, but these authors do not make comparison a central element of the discussion or the basis on which findings are reached, limiting the relevance of the comparisons.<sup>15</sup> There are a number of edited volumes that center around comparing China to another country or region and bring together specialists of China and other countries. But these books share a common weakness, in which the country specialists write only about their own country. Even when authors write on parallel topics, they typically use different concepts or discuss the same issue in just different enough a way so that the reader is left with “apples-oranges” comparisons. The introductory and concluding sections struggle, often unsuccessfully, to bridge these differences.<sup>16</sup>

Since the early 1990s there have been a smattering of comparison-based studies by China specialists, almost all of them comparing the PRC with a small number of countries. These works are spread across a wide range of topics, from democratization to corruption and protest.<sup>17</sup> These initial steps toward comparative scholarship should be welcomed, and they need to be built on. Many of these works are not explicit about the theoretical rationale for why China and the other countries were chosen as cases. Only occasionally is there a discussion of whether the comparison is of “most similar” or “most different” systems, or which variables are being tested through the comparative exercise.

The limited extent of comparison by China politics and political economy specialists has not raised much concern among the field’s leading scholars. None of the field’s main textbooks contains any significant comparative elements to their narratives.<sup>18</sup> There have been several important reviews of the field over the last quarter century. Most discuss in positive terms the shift from emphasizing description to engaging in theory building,<sup>19</sup> although a recent commentary criticized the faddishness for quantitative skills that has seemed to have caught on among the youngest generation of scholars.<sup>20</sup> Standing almost alone, Harry Harding stressed the need for China politics specialists to engage in cross-national comparisons. Writing over a quarter century ago, he predicted, apparently overoptimistically, that China specialists would have to be comparativists to enter the mainstream of political science.<sup>21</sup>

There are several reasons why Harding's expectations have not been met. First, for Westerners China is an extremely challenging country to study. It requires years of language training to read Chinese media and documents, listen to broadcasts, and speak to informants. When China specialists could not go to China, they closely monitored the media and interviewed emigres in Hong Kong, then still a British colony. Once the gates were opened in the late 1970s, it quickly became a common expectation that extended fieldwork on the ground in the PRC was a requirement of good scholarship. Conversely, the great investment in time and energy honing one's China skills left many experts unprepared to engage in comparisons or at least led them to believe that they could not do justice to the assignment.

A second reason for the limited interest in comparison has been the widespread belief that China is so unique that such an exercise will only lead to contrasts. Not only do the language and culture differ from the West, but a widespread assumption is that the foundations of Chinese society and its political system are a world apart. Observers who want to highlight China's distinctiveness regularly refer to the country as the "Middle Kingdom," a literal translation for the Chinese characters that combine to mean China, *zhong-guo*. Historian John King Fairbank, the father of modern Chinese studies, is famous for emphasizing that China was not just a country, but a civilization whose emperor saw his land situated at the center of the universe and who ruled by heavenly authority.<sup>22</sup> For Fairbank and others, the revolution brought less change than meets the eye.<sup>23</sup> Those who share this sentiment believe that, in foreign affairs, China suffers from a "Middle Kingdom complex," in which its leaders feel obliged to recover the country's lost glory and exalted position. Although a new generation of pathbreaking comparative historical research has raised strong doubts about the work of Fairbank and others, those views have not resonated among politics specialists who have witnessed China following its own distinctive path in the last sixty years.<sup>24</sup> China first diverged from the Soviet Union in pursuit of a more "Maoist" revolutionary strategy and then in the late 1980s withstood social forces that brought about the USSR's extinction. Accompanying these trends was the revival in the mid-1980s of interest in the political science discipline on how political institutions shape politics. Neoinstitutionalism has emphasized path dependent trajectories of political life. Many China specialists have embraced the logic and theories of this approach, reinforcing the predilection to see China as distinctive.<sup>25</sup>

This sense of uniqueness is encouraged by China's government. According to the PRC regime, China practices "socialism with Chinese characteristics," which differs substantially from orthodox socialism as envisioned by Marx or Lenin.<sup>26</sup> This allows the regime flexibility and plausible deniability to adopt a wide range of policies and goals that the average person would view as capitalist. In addition, the Chinese government regularly contends that China should not adopt "Western-style" democracy or ensure its citizens basic civil liberties because doing so would be inconsistent with China's "national essence" (*guoqing*). If the Chinese government were to agree that the same rules of social science that shape political and social life elsewhere apply in China, its range of flexibility would be reduced.

An ironic twist to the perception of being unique is that the term *Middle Kingdom* is really a Western invention. In Chinese, the characters for China originally meant "central states," plural, a reference to the several states that existed alongside each other in what is today central eastern China prior to when China was first unified in the third century BCE. The Chinese never use the words *zhongguo* to stress the country's distinctiveness or to imply that it is a civilization or empire rather than an ordinary country. Tellingly, the use of the term in the U.S. media has varied unevenly over time. Journalists use it more when tensions between the United States and China rise and when China appears particularly powerful or influential.<sup>27</sup> The PRC may want to become more powerful, but the Middle Kingdom complex is ours, not China's.

The third and perhaps critical source for the disinterest in cross-national comparative research is China's size. As a large country, there is an enormous amount of potentially available data; with such diversity across regions, sectors, and individuals, China politics specialists can be theoretical by leveraging internal variation. China's massive size not only allows specialists to get by without comparison, it also allows them to get away with it. China is an important country in global strategic, political, and economic affairs. There are nontheoretical reasons why it is vital for scholars to understand this country. Political science departments have expanded the number of China positions significantly over the last two decades. Being in high demand, combined with a recognition of the difficulties for doing research on China, means that China specialists face somewhat less pressure to be comparative than their counterparts whose research focuses on smaller, less influential nations. Although often seen as polar opposites, the same logic that

applies to China studies may also explain why American politics specialists also rarely engage in comparison.

### *The Need to Compare China*

It may go without saying, but it should be said anyway: cross-national comparison can be an extremely useful research approach that provides insights not available through other strategies. Such studies provide an opportunity to theoretically analyze the causal effect of a number of factors that cannot be observed through subnational analyses, including regime type, national bureaucratic structures, overall state capacity or strength, the structure of central–local relations, patterns of government–business relations, geography and economic endowments, official ideology, political culture, location in the global economy, transnational relationships, international regimes, and the international security environment. These factors can be described without cross-national comparison, but it is difficult to determine their effect, especially relative to each other, without comparing more than one country where the value of these factors vary.

When scholars borrow theories and concepts derived from elsewhere and measure China against them, they are unwittingly engaging in a type of comparison, measuring Chinese reality against foreign ideal types. Such comparisons can yield a warped vision of China. For example, the importance of cultivating personal relations (*guanxi*) to complete a business transaction or obtain a permit is inconsistent with a rational-legal political system where impersonal contracts are taken as given. Yet the Chinese reality may be seen in a different light when compared against the actual use of connections and networks employed by Americans, Germans, Koreans, or Russians. What may be seen as a difference of kind may turn out to be a difference of degree. Without systematic reality-to-reality comparisons, one cannot be certain. And if we cannot be certain, we will never be able to determine if the images of a distinct Middle Kingdom are reality or myth.

Experts of other nations have made excellent use of comparison to put their countries in a different light not available otherwise. Specialists on Latin America, Africa, Southeast Asia, and China's smaller East Asian neighbors engage in comparison as a matter of course. Even Japan specialists, studying a country with an even stronger self-image of uniqueness than



China, are increasingly drawn to comparison to great effect. Stephen Reed's *Making Common Sense of Japan* (1993) busted a host of myths about Japan: the country is not small, it is large by most standards; its crime rate is not abnormally low by global standards; and the LDP's political tactics look surprisingly familiar to students of other parliamentary systems. More recently, Gregory Kasza, who penned this volume's concluding chapter, has demonstrated that Japan's welfare policies, often labeled as distinctly "East Asian," are similar to that of most advanced industrialized countries.<sup>28</sup>

Systematically comparing China with other countries will not necessarily uncover an equal amount of similarities, but it will clarify with greater precision where similarities and differences exist. Not only can we compare outcomes, but we can also compare the relative effect of different factors (independent variables) have on political behavior. For example, corruption levels in China may differ from those in the United States and Nigeria, but a comparison among these countries, or perhaps with others, can help shed light on what factor is most important in determining corruption across different political environments.

### *China Compared to What?*

Having argued for the benefits of comparison, the next step is to identify the range of comparative frameworks we can use. Comparative scholarship on Chinese politics has most often adopted one of four lenses.

The first places China in the context of other (former) Communist countries, with the greatest attention paid to Russia, to understand similarities and differences in their transition away from state socialism. Since the late 1980s, leaving aside a few exceptions, the world's Communist countries have abandoned central planning in favor of fundamental market reforms. The first aspect of this transformation debated by scholars concerns the effect of countries' initial conditions in determining their reform trajectory. Scholars originally assumed Communist countries all started in the same situation, but they have realized that differences in geography, political institutions, elite politics, and other factors could have real consequences for the reform path.<sup>29</sup> The other intensely discussed question is what reform strategy is more effective in creating sustained economic growth. In the early 1990s, the dominant view stressed the need for immediate privatization, liberalization

of prices, and lowering of international barriers to trade and investment, what is known as shock therapy because the purpose is to quickly expose economic actors to the full force of market conditions to provide a strong incentive to adapt. Since the latter half of the 1990s, many have come to question the wisdom of shock therapy and have argued for a different sequencing of reforms, in which privatization and financial liberalization are postponed in favor of allowing new economic actors to compete in a controlled environment in which market disciplines are added more gradually to give companies and workers more time to adapt and avoid sudden dislocations.<sup>30</sup>

Research on this question involving China has addressed both issues. A few studies have been comparative, but typically the reality of China's transition is measured against a stylized vision of economic shock therapy.<sup>31</sup> One of the most prominent recent contributions, by Minxin Pei of Claremont McKenna College, argues that China's gradualist transition has become trapped by the national elite who do not want democratization and corrupt officials who have hijacked economic reforms to suit their own interests.<sup>32</sup> By contrast, Vladimir Popov argues that China's economy has outperformed other post-Communist countries during the past two decades because its reform program has strengthened state institutions and capacity far more effectively than others.<sup>33</sup>

As helpful as the transition approach is, it is hampered to some extent by focusing on the gross contrast between plan and market at the expense of overlooking the many possible different destinations of the transition. Recent research has highlighted that capitalist countries come in many "varieties," from liberal systems rooted in competition between firms and an arm's length relationship between state and industry on the one hand, and others in which competitive markets are situated in a wider context of cooperative arrangements among firms and more symbiotic ties with state officials (particularly in the bureaucracy) on the other hand.<sup>34</sup> In addition to these alternative patterns, both of which can generate sustained efficient economic behavior and provide needed public goods, there are also capitalist countries in which rent seeking is common, either by elements of society who depend on clientelist links with well-placed patrons or by officials who themselves are direct participants in the economy.

When asked where China fits, some China scholars are satisfied to pick among these options. Noting a common Confucian cultural heritage, China's interventionist bureaucracy, industrial policies, close government-

business ties, and sustained rapid growth, some see similarities with the developmental states of China's East Asian neighbors, especially Japan and South Korea.<sup>35</sup> Others, citing the proliferation of corruption and the widening gap between rich and poor, suggest that China's political economy exhibits many of the pathologies that have stunted sustained development among countries in Southeast Asia and Latin America.<sup>36</sup>

Although some of the scholarship on China utilizing a transition perspective has explicitly compared China to other post-Socialist countries, the vast majority of work situating China in the context of developmental states or crony capitalist countries has done so by measuring China against one of these ideal types.<sup>37</sup> As a result, China is compared against highly stylized versions of these countries that do not sufficiently recognize the gaps between model and reality or how the political economy in East Asian and Latin American countries has changed over time. In the case of China's neighbors, there is a recent rich body of scholarship using previously unavailable sources of data that takes issue with the conventional wisdom most China specialists envision in their comparative work.<sup>38</sup>

The final posture that China specialists take when engaging in comparison is to reject the exercise altogether and instead argue that China is unique. This disdain for comparison, or the finding that all is contrast, comes in several forms. The earliest work stresses how China's distinctive culture and social structure, such as the emphasis on family-based entrepreneurship, have resulted in a particularly "Chinese" style of capitalism.<sup>39</sup> A second brand finds that China's distinctive political institutions, with extensive power given to localities, and the country's weak bargaining position in the post-Cold War global economy, has led to a "capitalism with Chinese characteristics" in which China is growing rapidly while deeper development lags behind.<sup>40</sup> A better-known option, embodied in a book of the same name, argues that China's economic problems are not the product of a weak central government unable to impose its will on localities but rather a Chinese regime bent on state control of the key sectors of the economy. The result is stifled innovation and entrepreneurship, exhibited most clearly in Shanghai.<sup>41</sup> The last version of the "China is unique" school argues that, in fact, China's economic performance of the last three decades is remarkably successful and the result of unprecedented policies and institutions. One observer claims China so clearly violated the tenets of the fabled "Washington consensus" that it has established a new "Beijing consensus."<sup>42</sup> A similar

motivation lies behind those now attempting to draw the outlines of a “China model” of development.<sup>43</sup>

Although there are distinctive elements of China’s political economy, the contributors to this perspective have not sufficiently defended their assertions, in part because they rarely engage in systematic comparison of China with elsewhere. Advocates of the cultural view have done so, but their starting point for China—small family-owned businesses—is not a full representation of a PRC in which state-owned enterprises and large corporations listed on stock markets account for much of the country’s economic activity.<sup>44</sup> Huang goes to the other extreme by stressing the state-owned sector and underplaying the wide variation across regions and industries. And any claim of a Beijing consensus has to cope with the reality that most of China’s economic policies are the product of conflict and compromise and that many of China’s economic policies are consistent with conventional economic approaches. Unfortunately, regardless of which stripe, application of the adjective “Chinese” has become a short-cut substitute for rigorous comparison.<sup>45</sup> This problem is not unique to China specialists, as students of other post-Communist countries have fallen into a similar habit.<sup>46</sup>

### *Chinese Economic Policy and Performance*

The purpose of this book is to demonstrate the utility of comparison for better understanding Chinese politics by presenting a nuanced picture that is obscured when the country is viewed in isolation. In short, our goal is to move beyond the Middle Kingdom.

Written by some of the field’s leading China specialists, the chapters in this book all engage in small-*n* comparisons involving China and a few countries. A wide assortment of cases is used. Russia and China’s East Asia neighbors figure prominently, but the chapters depart from earlier works rooted in reality-versus-ideal type comparisons to instead analyze the actual experiences of China relative to the others. Another set of cases discussed in several chapters involves large developing countries. Their similar size and economic level make them good candidates for comparison, allowing us to see the consequences of these common characteristics as well as identify others that may account for distinctive outcomes among this group.