CHINA: DEVELOPMENT AND GOVERNANCE

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Editors

WANG Gungwu • ZHENG Yongnian

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World Scientific

NEW JERSEY • LONDON • SINGAPORE • BEIJING • SHANGHAI • HONG KONG • TAIPEI • CHENNAI

Published by

World Scientific Publishing Co. Pte. Ltd.

5 Toh Tuck Link, Singapore 596224

USA office: 27 Warren Street, Suite 401-402, Hackensack, NJ 07601

UK office: 57 Shelton Street, Covent Garden, London WC2H 9HE

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library.

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ISBN 978-981-4425-83-4

ISBN 978-981-4425-84-1 (pbk)

In-house Editors: Lee Xin Ying and Agnes Ng

Typeset by Stallion Press

Email: enquiries@stallionpress.com

Printed in Singapore.

Editors

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Professor Wang received his BA (Honours) and MA degrees from the University of Malaya in Singapore, and his PhD in Mediaeval History from the School of Oriental and African Studies of the University of London (1957). His teaching career took him from the University of Malaya (Singapore and Kuala Lumpur, 1957–1968, Professor of History 1963–1968) to the Australian National University (1968–1986), where he was Professor and Head of the Department of Far Eastern History and Director of the Research of Pacific Studies. From 1986 to 1995, he was Vice Chancellor of the University of Hong Kong. He was Director of the East Asian Institute of NUS from 1997 to 2007.

Professor Wang holds many appointments and awards. He has been made a Commander of the Order of the British Empire (CBE) in 1991. He was conferred the International Academic Prize of the Fukuoka Asian Cultural Prizes. He was awarded the Public Service Medal by the Singapore government in 2004 and a second medal in 2008. In Singapore, he is a member of the new Board of the Chinese Heritage Centre; and of the Board of Governors of the Institute of Defence and Strategic Studies (later renamed as S. Rajaratnam School of International Studies), both at Nanyang Technological University.

Professor Wang is a prolific author and is renowned for his scholarship on the history of the Chinese diaspora in Southeast Asia, and the history and civilisation of China and Southeast Asia. In over five decades, he has written more than 500 scholarly works of books, monographs and other edited volumes.

Professor Zheng Yongnian

Professor ZHENG Yongnian is Director of the East Asian Institute (EAI) at the National University of Singapore. He received his BA and MA degrees from Beijing University, and his PhD from Princeton University. He was a recipient of the Social Science Research Council-MacArthur Foundation Fellowship (1995–1997) and the John D and Catherine T MacArthur Foundation Fellowship (2003–2004). He was Professor and founding Research Director of the China Policy Institute of the University of Nottingham in the United Kingdom. Professor Zheng is the editor of the *Series on Contemporary China* (World Scientific Publishing), *China Policy Series* (Routledge), *China: An International Journal* and *East Asian Policy*. His research interests include both China's domestic transformation and its external relations. His papers have appeared in journals such as *Comparative Political Studies*, *Political Science Quarterly* and *China Quarterly*. He is also the author and editor of numerous books.

Besides his research work, Professor Zheng has also been an academic activist. He served as a consultant to the United Nations Development Programme on China's rural development and democracy. In addition, he has been a columnist for *Xin Bao* (Hong Kong Economic Journal, Hong Kong) and *LianheZaobao* (Singapore) for many years, writing numerous commentaries on China's domestic and international affairs.

Preface

WANG Gungwu and ZHENG Yongnian

The East Asian Institute (EAI) is celebrating its 15th Anniversary in 2012. It was first set up as a full-time autonomous research organisation in April 1997 under a statute of the National University of Singapore. Its main mission is to promote both academic and policy-oriented research on East Asian development, particularly the political, economic and social development of contemporary China (including Hong Kong and Taiwan), and China's growing ties with the region and the world at large, including Japan, Korea, India, ASEAN, the European Union and the United States.

In line with this mission, EAI has established extensive networks with universities and think-tanks particularly in China, and increasingly in Japan and Korea. Every year, EAI receives applications from numerous scholars not only from the region but also from the United States and Europe to spend some time at the institute. EAI scholars themselves also conduct numerous study missions overseas. We also hold a number of conferences and undertake several research projects every year. Through such events and interactions, there is a constant and vibrant exchange of insights and ideas which further strengthens the vibrancy of the academic and policy-oriented research foundation of EAI. Today, EAI is recognised as one of the leading institutes in the whole of Southeast Asia dedicated to the study of contemporary China.

Our achievements today did not come easy. The challenges for starting contemporary Chinese studies in a place like Singapore were daunting from the start. In the 60s and 70s, China lent moral and material support to communist insurgency movements that threatened to overthrow the post-colonial regimes in Southeast Asia including Singapore. Singapore was particularly concerned given its vulnerability following its separation from Malaysia in 1965 and the intractable challenges of economic growth and nation-building. Politically, it was taboo to have any form of contact with China, much less to conduct research on China. Information on China was based primarily on Western media accounts and research done by Western scholars. It was only in the late 1970s, after Deng Xiaoping had embarked on the open-door and reform policy, that China's relations with its neighbours including Singapore improved.

In a way, how EAI came to be what it is today mirrors this trend of taking incremental steps that is in line with the circumstances of the times. It began by initially focussing on a narrow and less sensitive area of Confucian studies to a comprehensive and in-depth look at developments in China today. Although EAI was officially established 15 years ago, its origins can be traced further back to June 1983 when the Institute of East Asian Philosophies (IEAP) was established as a privately constituted non-profit resource and research centre for the study of oriental philosophies, with a focus on the translation, interpretation and evaluation of Confucian ethics. In January 1992, IEAP was renamed Institute of East Asian Political Economy (IEAPE) with its research focus on China's economic reform and open-door policy. Building on this basis, EAI has since 1997 broadened this research focus to look at not only the political, economic and social developments in contemporary China but also China's relations with other countries as well as developments in Japan and Korea. We consciously follow an academic approach that is as far as possible "non-Western" and "non-PRC". We believe that this approach of analysing and interpreting developments in China that avoids certain ideological prisms would better meet the needs and interests of our audience that includes policy makers, academics and the public.

Book Theme

Five years ago, at the 10th anniversary of EAI's founding in 2007, we published a commemorative volume on various aspects of China's development within the overall context of a rising China. Five years on, China is now regarded by many observers to have risen. So to commemorate the 15th anniversary this year, we have decided to have a volume that looks beyond a rising China by focussing on the theme of governance.

For over three decades, China has succeeded in achieving an unprecedented annual growth of 10%, thereby lifting millions out of poverty. Indeed, a large majority of the population in China have benefited from the open-door and reform policy with notable improvements in their living standards. Very few Chinese today would hanker after the years of central planning with its rigidity and austerity campaigns. In its external relations, China has become a key player at various regional and international platforms. Its participation is needed to help address global and regional issues ranging from the health of the world economy, the *eurozone* debt crisis, terrorism, piracy to global warming and climate change.

Yet, the very success of China's open-door and reform policy has brought about its own set of challenges. In the economic realm, these challenges include the need to rebalance the economy (from an investment-driven, export-oriented model to a more consumption-driven model) and upgrade the economy (from low value-added to higher value-added industries). In the social realm, the challenges include the widening income gaps (between the rural and urban residents, between the coastal and inland regions, and between the state and non-state sectors), the poor integration of the migrant population in urban areas, insufficient low cost housing and medical coverage, and rampant corruption. In the political arena, there are increasing calls for political reforms to take into account the growing aspirations of the Chinese public for greater political accountability and transparency. There appears to be a growing consensus within China that political reforms have lagged far behind economic reforms. On top of these challenges, the Chinese Communist Party (CCP) and government have to grapple with a myriad of views and criticisms, and the potential for mass action with the exponential growth of Chinese Internet users, bloggers and microbloggers. In the foreign policy arena, China has also at times come under criticisms for not doing enough to deal with global and regional concerns such as working towards a denuclearised Korean Peninsula and pressing President Assad of Syria to halt atrocities on its own citizens.

With these many pressing and urgent issues to handle, we believe it is important and timely to examine the issue of governance in China. Here, governance refers generally to the process of decision-making and the process by which decisions are implemented (or not implemented). Good governance may be regarded as encompassing eight major characteristics. It is participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. Based on this definition, good governance would involve outcomes that benefit the majority of the population after taking into account the views from relevant parties or stakeholders that include the civil society. Ultimately, good governance, whether in practice or perception, is expected to more likely promote socio-political stability and enhance the legitimacy of any ruling party or government.

In China, both the CCP and government do recognise the importance of good governance and have even selectively embraced these characteristics of good governance and practised them to different degrees. Indeed, many of the challenges confronting China today have something to do with governance, whether it is in terms of the decision-making process or implementation process. Going even further, it may reasonably be argued that many of the challenges facing China are more likely to be ameliorated or mitigated if there is a good decision-making process or good implementation process in place.

However, and perhaps not surprisingly, the CCP and government are not enamoured with this “good governance” term. This can primarily be attributed to the fact that good governance tends to diminish or weaken the leading role of the CCP vis-à-vis other stakeholders. Instead, the CCP and government prefer the term “social management” that affirms the leading role of the CCP. On this basis, social management was raised to a level of strategic importance when President Hu Jintao addressed senior officials at the Central Party School in February 2011. In his address, Hu identified the key tasks of social management as including the strengthening of the party and government-led mechanism for the maintenance of public rights and interests; the improvement of management and services for migrant workers and other special groups; the fostering of the social management and social service system at the grassroots; the enhancement of the public security system to ensure food and drug safety, work-related safety, social order and emergency response capabilities; the bolstering of the management of non-governmental organisations (NGOs); and the heightening of control of Internet-transmitted information and management of cyberspace, and provision of better guidance to public opinion over the Internet.

Since Hu’s address, the CCP and government have allocated more resources and stepped up various mechanisms and processes to tighten social management within China. To a large extent, social management is being used as a means to ensure stability in China. And stability has assumed much greater importance in 2012 in light of the Bo Xilai debacle (that has affected the delicate power balance at the top) and in view of the impending leadership transition from Hu to Xi Jinping. Even when Xi takes over, he will have to grapple with the issue of governance or social management as China calls it to prevent the many challenges that China faces from boiling over. Whether Xi succeeds in this endeavour would have implications for stability in China and the longevity of the CCP’s hold on power.

Book Structure

This commemorative volume examines China’s development and governance in the political, economic, social and foreign policy dimensions. In each section, there is an introduction to provide readers with a broad perspective before delving into individual chapters that look at specific topics or issues. The chapters are contributed by present and past scholars at EAI and are intended for even non-specialists. The writing style is succinct and informal to enable readers to have a good sense of what is happening within China as well as in terms of China’s relations with other countries.

Finally, but not least, we wish to mention the EAI staff who have helped to make this volume possible. In particular, Lye Liang Fook has played a key role in organising this project and Jessica Loon has done an equally good job in the copy editing and liaising with the publisher. She is assisted in her editing efforts by Chia Shuhui, Ho Wei Ling and Lily Hong Ciyuan.

Contents

<i>Editors</i>	v
<i>Preface</i>	vii
WANG Gungwu and ZHENG Yongnian	
Part I The Art of Governance: Managing Rising Expectations	1
Introduction	
CHEN Gang	
Chapter 1 China's Fifth Generation Leadership: Characteristics and Policies	7
BO Zhiyue	
Chapter 2 Debating Political Reform: Societal Pressures and Party-State Responses	15
WU Guoguang	
Chapter 3 Intra-Party Democracy in Practice: Balloting for City Leaders in Jiangsu	21
ZHENG Yongnian and CHEN Gang	
Chapter 4 Township Government Reform: Improving Local Governance?	29
TAN Qingshan	
Chapter 5 Innovations in China's Local Governance: An Assessment	37
XIA Ming	
Chapter 6 The Impact of Market on the Grassroots Organisations	
of the Chinese Communist Party	47
Lance L P GORE	
Chapter 7 China Struggles to Maintain Stability: Strengthening its Public	
Security Apparatus	55
XIE Yue and SHAN Wei	
Chapter 8 How Secure is China's Food Security?	63
John WONG	

Chapter 9	China's "New Deal" in Xinjiang and its Challenges SHAN Wei and WENG Cuifen	71
Chapter 10	The Chinese Leadership and the Internet LYE Liang Fook and Lily HONG	81
Chapter 11	Women's Political Participation in China YANG Lijun and GUO Xiajuan	87
Part II	Enhancing and Re-Orienting Governance to Promote Sustainable Development	97
	Introduction Sarah Y TONG	
Chapter 12	China Coming to the End of its High Growth John WONG and HUANG Yanjie	103
Chapter 13	China's Economy After Three Decades of Reforms: A Systems Approach Wolfgang KLENNER	117
Chapter 14	Evolving Industrial Policies in China: A Governing Tool for Development and Restructuring Sarah Y TONG	125
Chapter 15	China's Regional Development Policies YU Hong	139
Chapter 16	The 12th Five-Year Programme: A Turning Point in China's Socio-Economic Development John WONG	149
Chapter 17	Shadow Banking in China: A Call for Financial Reforms YAO Jielu and YANG Mu	157
Chapter 18	The Rise of the <i>Renminbi</i> as International Currency YANG Mu and YAO Jielu	167
Chapter 19	China's Local Government Debts: Thorny but Manageable YAO Jielu	179
Chapter 20	China's State-Owned Enterprises: The Dilemma of Reform HUANG Yanjie	189
Chapter 21	An Update on China's Sovereign Wealth Fund: China Investment Corporation Catherine CHONG Siew Keng	199
Chapter 22	China's Economy Remains Highly Export-Oriented Sarah Y TONG	207
Chapter 23	Rethinking the Success of China's High-Tech Exports XING Yuqing	219
Chapter 24	China's Research and Development WU Yanrui	227
Chapter 25	Are Chinese Small and Medium Enterprises Victims of Institutional Pitfalls? CHEN Shaofeng	237
Chapter 26	China as a Newly Minted Upper Middle Income Country LU Ding	247

Chapter 27	China's Labour Shortage and its Implications HUANG Yanjie	257
Chapter 28	Can China Continue to Reap its Demographic Dividend in Economic Growth? YAN Hao	265
Part III	Social Transformation, Stability and Governance	277
	Introduction ZHAO Litao	
Chapter 29	Chinese Working Class and Trade Unions: Transformation and Predicament in the Reform Era QI Dongtao	283
Chapter 30	China's Middle Class: Still in the Making YANG Jing	293
Chapter 31	China's New Rich Posing a Challenge to Social Stability SHENG Sixin	303
Chapter 32	Non-Governmental Organisations in China: Developments and Challenges XU Ying	311
Chapter 33	<i>Chengzhongcun</i> in China ZHONG Sheng	319
Chapter 34	China's <i>Hukou</i> Reform: The Guangdong and Shanghai Cases Courtney FU Rong	327
Chapter 35	Reinventing China's Health System QIAN Jiwei	333
Chapter 36	Meeting the Ageing Challenge: China's Social Care Policy for the Elderly ZHANG Yanxia	343
Chapter 37	China's Way to Good Housing Governance ZHOU Zhihua	351
Chapter 38	China Attracting Global Top Talent: Central and Local Government Initiatives ZHU Jinjing	361
Chapter 39	China's Higher Education Reform: The Issue of Governance ZHAO Litao	369
Chapter 40	Improving Local Governance without Democratisation: Community Building in Shanghai SHI Fayong	377
Chapter 41	Rising Trend of Labour Strikes: Tables Turned for Chinese Workers? YEW Chiew Ping	385
Part IV	China's External Relations and Global Governance	393
	Introduction LYE Liang Fook	
Chapter 42	China-US Relations: Coping with a US Pivot to the Asia-Pacific Region LYE Liang Fook	399

Chapter 43	Sino-Japanese Relations: Dark and Bright Spots in an Ambivalent Relationship LAM Peng Er	405
Chapter 44	China and India: The World is Big Enough for Both ZHAO Hong	415
Chapter 45	China-South Korea Relations and Implications for China in Global Governance: Some Notes after 20 Years of Relations CHOO Jaewoo	423
Chapter 46	Comrades No More: Beijing's Evolving North Korea Policy YUAN Jingdong	429
Chapter 47	China-ASEAN Relationship: An "Offer-Response" Analysis WANG Yuzhu	435
Chapter 48	China and Singapore: An Asymmetrical but Substantive Relationship LYE Liang Fook	447
Chapter 49	China and the EU: Will China Come to the Rescue of Troubled Economies? Kjeld Erik BRØDSGAARD	455
Chapter 50	China's Diplomacy in the Middle East CHEN Gang and Ryan CLARKE	469
Chapter 51	Will the United States Desert Taiwan? John F COPPER	477
Chapter 52	Managing Cross-Strait Economic Relations CHIANG Min-Hua	483
Chapter 53	China and the Rise of the BRICS Anthony P SPANAKOS	491
Chapter 54	China's Soft Power: Growth and Limits LAI Hongyi	499
Chapter 55	China's Efforts to Enhance its Energy Security ZHAO Hong	507
Chapter 56	The South China Sea Disputes: Current State of Play and Future Prospects Katherine TSENG Hui-Yi	515
Chapter 57	China and Global Governance PANG Zhongying and LYE Liang Fook	527
	Index	533