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# WHEN WILL THE CHINESE PEOPLE BE FREE?

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Little more than a decade ago, my answer to the question posed by this essay's title was the year 2015.<sup>1</sup> My assessment, published in the Fall 1996 issue of *The National Interest*, began by observing that all countries (leaving aside states that make nearly all their money from oil exports) which had attained a Gross Domestic Product per capita (GDPpc) of at least US\$8,000 per year (as measured by the Purchasing-Power Parity or PPP standard for the year 1995) stood no worse than Partly Free in the ratings of political rights and civil liberties published annually by Freedom House (FH).

As China's economy was growing at a rate that promised to carry it to a level near or beyond that GDPpc benchmark by 2015, I reasoned that this, the world's largest country, was a good bet to move into the Partly Free category as well. Since then, China has remained deep in Not Free territory even though its civil-liberties score has improved a bit—from an absolutely abysmal 7 to a still-sorry 6 on the 7-point FH scale—while its political-rights score has remained stuck at the worst level.

Yet today, as I survey matters from a point slightly more than midway between 1996 and 2015, I stand by my main conclusion: China will in the short term continue to warrant a Not Free classification, but by 2015 it should edge into the Partly Free category. Indeed, I will go further and predict that, should China's economy and the educational attainments of its population continue to grow as they have in recent years, the more than one-sixth of the world's people who live in China will by 2025 be citizens of a country correctly classed as belonging to the Free nations of the earth.

In order to flesh out my analysis, I shall examine four questions. The first asks about the prospects for sustained economic growth. The second inquires into what recent scholarship tells us about the nexus between economic development and political freedom. The third estimates when a relatively free China is likely to emerge. And the fourth ponders the implications for war and peace that are likely to flow from this momentous change.

Let us take the question of the economy first. China's per-capita growth over the last decade has averaged a highly impressive 8.5 percent annually (reaching a GDPpc of \$6,000 in 2006 international-PPP dollars).<sup>2</sup> Serious challenges lie ahead, yet given China's competent economic-policy makers, a supportable projection is an average per-capita growth rate of 7 percent a year, enough to raise GDPpc to \$10,000 PPP by 2015. After that, slower workforce expansion (a product of changing demographics) plus China's expected approach toward convergence with the world's leading developed economies suggest that the growth rate will climb less steeply. Annual growth of 5 percent in GDPpc starting in 2015 will bring China to roughly \$14,000 PPP (in 2006 dollars) by 2025, or about where Argentina is today.

Short-term disruptions would do little to disturb this projection. There was such a hitch after the Tiananmen Square massacre in 1989, but the growth rate subsequently recovered so robustly that the slow period was soon offset with no lasting economic effects. The prospect for sustained growth over at least the next decade appears strong.

### **Does Prosperity Breed Liberty?**

The next question to be explored is the relation between economic development and democratic freedom. There are three possibilities: 1) Development might lead to democracy; 2) democracy might foster development; or 3) there might be a common cause driving both.

My 1996 projection was based on the first direction. This is the hypothesis, associated with Seymour Martin Lipset, that only a society with educated, wealthy people can resist the appeal of demagogues.<sup>3</sup> Stable democracy presupposes a certain level of accumulated human, social, and physical capital. A related view is that institutions which promote limited government (particularly via constraints placed on executive power) support growth.<sup>4</sup>

Education promotes growth, and might also independently promote political pluralization by reducing the costs of political action in support of relatively democratic regimes.<sup>5</sup> Schooling makes democratic revolutions against dictatorships more probable and successful antidemocratic coups less probable. After analyzing more than a hundred countries, Robert J. Barro found that higher incomes and higher levels of (primary) education predict higher freedoms.<sup>6</sup> He also found significant

time lags between the appearance of a factor positive for electoral rights and its expression in politics. He interpreted such lags as tokens of inertia in institutions affected by changes in economic and social variables, and noted that after about two decades “the level of democracy is nearly fully determined by the economic and social variables.”<sup>7</sup> This observation helps one to understand why a rapidly growing country such as China has a freedom rating today well below the level that its current income would predict.

Adam Przeworski and his coauthors also find that levels of economic development best predict the incidence of various types of political regimes. To explain this, however, they point to the superior survival capacity of wealthier democracies rather than to transitions from dictatorship to democracy at higher levels of wealth. The higher the level of income that a given country enjoys, these researchers note, the better are the odds that a democratic regime in that country will endure. They estimate the probability that a democracy will die in a country where annual GDPpc is \$6,000 (in 2006 PPP dollars) as close to zero. In contrast, Carles Boix and Susan Stokes attribute transitions to democracy in wealthier countries to incomes becoming more equally distributed as development progresses: “[T]he rich find a democratic tax structure to be less expensive for them as their country gets wealthier and they are more willing to countenance democratization.”<sup>8</sup>

The second possibility is realized if the rules of electoral democracy turn out to be better on average for development than are those of dictatorships. Democracies tend to foster governmental transparency and the production of public goods while placing some limits on what rulers can steal. Yet a democracy with a populist bent can insist on economically damaging schemes for redistributing income and wealth. Barro and Przeworski are among those who find that democracy does not lead directly to higher growth. According to Torsten Persson and Guido Tabellini, the evidence that democratizations yield economic growth is weak. They also write that “democracy” is too blunt a concept and that institutional details matter greatly.<sup>9</sup> The theoretical picture remains unclear and the literature is divided.

The third possibility, that democracy and development have a common cause, finds support from Daron Acemoglu and his coauthors, who argue that “though income and democracy are positively correlated, there is no evidence of a causal effect. Instead . . . historical factors appear to have shaped the divergent political and economic development paths of various societies, leading to the positive association between democracy and economic performance.”<sup>10</sup> These scholars see political and economic development paths as interwoven. Some countries embarked on development paths associated with democracy and economic growth, while others followed paths based on dictatorship, repression, and more limited growth.

Might there be a regional, specifically Sinitic, effect involving the polities influenced by Chinese civilization? These also include Japan, the two Koreas, Vietnam, Singapore, and Taiwan. Today they present a mixed picture. Japan, South Korea, and Taiwan are rated Free; Singapore is Partly Free; and North Korea, Vietnam, and China are Not Free. Nonetheless, the paths carved out by Japan, South Korea, and Taiwan show that Western-style democracy can take root in Sinitic societies.

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***Growth-friendly policies, if consistently pursued, lead to the accumulation of human and physical capital and the rise of limited government.***

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Education is crucial, and here China does not impress. In 2000, the country's entire over-25 population had only an average of 5.74 years of schooling (between all developing countries at 4.89 years and the East Asia and Pacific country average of 6.50 years).<sup>11</sup> Yet large

educational-improvement efforts are underway, especially in rural areas and the rapidly expanding postsecondary sector. My projection is that by 2025 the average Chinese person over 25 will have had almost eight years of formal schooling.

Between 1999 and 2005, postsecondary admissions tripled, reaching five million during the latter year. Currently China has about twenty million people with higher degrees; by 2020 there will be more than a hundred million. Although there are problems of educational quality and jobs, China's rising educational indicators bode well for both economic development and democracy.

What conclusion should we draw from the scholarship so far on democracy and development? I think it is that growth-friendly policies, if consistently pursued (historically determined institutions may prevent this), lead to the accumulation of human and physical capital and the rise of limited government. Autocratic regimes in economically growing countries can delay but not ultimately stop this from happening.

China's so-far slight improvement in the FH rankings has been in the Civil Liberties category, where it has gone from a 7 (the absolute worst score) to a 6. Looking behind the FH numbers, we can identify several factors that have led to a substantial growth in personal liberties and promise more freedom to come.

The first is that a modern economy is simply not compatible with the Leninist requirement of comprehensive party and state control over society. The Chinese Communist Party (CCP) has faced a hard choice: Maintain control and risk economic stagnation and political disaffection, or let go and risk eventually losing dominance. The CCP has chosen to pull back in several domains. Most notably, it allows markets to function. It also has accorded certain legal institutions and media outlets a degree of autonomy. The CCP has become Marxist-Leninist in

name only. In reality, it seeks to rule a system that might be called party-state capitalism, setting broad rules while leaving much authority to local Party figures and various private actors. Central authorities can intervene, but they ration their energies.

One might think that a party which promotes markets, has formally enrolled “capitalists,” and has allowed the state sector’s share of the economy to shrink has lost any plausible claim to be called communist or socialist. Phrases such as “capitalism with Chinese characteristics” and “democratic socialism” do not disguise the reality of the CCP’s massive but mostly unacknowledged ideological shift. Not that there is much nostalgia for socialism—or even a Confucian contempt for profit: In a 2005 survey of twenty countries, China featured the highest share of respondents (74 percent) who agreed with the proposition that the best economic system is “the free-market economy.”<sup>12</sup>

The regime’s legitimacy seems to rest on three main pillars: 1) It has brought social order after a century and a half of upheavals;<sup>13</sup> 2) people’s incomes are growing rapidly (even if the growth is unevenly distributed); and 3) Chinese enjoy a sense that the Beijing government is restoring China to its rightful place of prominence in the world.

Surveys show that confidence in the government is high, and people seem satisfied with the way that “democracy” is unfolding.<sup>14</sup> Yet sources of discontent such as corruption, environmental damage, and sharp income inequality remain. In a departure from Chinese tradition, there is a developing attitude that individuals have rights.

Local elections, along with the aforementioned rise of certain relatively autonomous legal and media institutions, are helping to expand personal liberties and may have the potential to transform Chinese society.

## **Legal Institutions, Social Groups, and the Media**

Legal reform began in 1979 when the CCP under its leader Deng Xiaoping decided that a modern economy required clear, predictable rules rather than obscure, arbitrary decisions. Although China remains a long way from being under the rule of law, the country has made considerable progress.<sup>15</sup> The main questions have to do with the extent of legal institutions’ *de facto* independence today and the advances they might make tomorrow, together with the closely related issue of which, if any, claims to authority the Party will choose to defend to the end.

Almost three decades after Deng started the reform process, the National People’s Congress (NPC) has passed many laws—determined by the State Council—and established a nationwide judiciary. Laws now provide for judicial review of the acts of state agents, compensation for damages from unlawful state actions, protection for people subject to

noncriminal administrative sanctions, and rights to counsel and procedures for the conduct of criminal trials. Business transactions increasingly conform to legal rules. Important international commitments flow from China's membership in the World Trade Organization.

Many laws are ambiguous and contradictory, giving the Party ample opportunities to maintain its authority while also allowing changes to occur. Thus the Organic Law on Villager Committees recognizes the authority of the elected village head but requires committee conformance with "state policies" (thereby allowing the local Party secretary to overrule the locally elected leader). One consequence of these ambiguities is that local officials often are able to pick or interpret the laws that they prefer to follow.

With the number of lawyers at 150,000 and climbing, more people are seeking legal representation. The 4.3 million civil cases that China's courts heard in 2004 marked a 30 percent increase over the 1999 figure. People are suing not only one another but also state officials and enterprises with links to the Party-state establishment. Such suits can serve the Party-state's overall goal of "curbing administrative wrongdoing."<sup>16</sup>

The legal system remains firmly under CCP control. Party members often determine court decisions, officials press judges to throw out suits over property rights, and citizens' legal rights to counsel are ignored when the Party or local officials have already decided the case. Yet the system is evolving. The Supreme People's Court has begun to make interpretations and decisions—a role contrary to communist dogma. An anticorruption guideline dating from 2000 requires judges to stand aside from civil cases if they have taken money or gifts from a litigant. Judges are also banned from taking lucrative positions at law firms until at least two years after leaving the bench.

Many shocking abuses of the law occur. Nonetheless, a better-educated population and a more complex economy demand the rise of improved legal institutions. Rural unrest and pervasive corruption pressure leaders to take more steps toward the rule of law even if this means having to relax the Party's control over society. Thus developments in the legal arena, halting though they are, signal something positive about China's economic and political future.

Any Leninist regime must be suspicious of organizations—particularly social organizations cutting across class or regional lines—that it does not control. So far, the groups most worrisome to the powers that be have been religious in nature, such as the Falun Gong meditation movement. Nongovernmental organizations (NGOs) in general have been proliferating. More than 280,000 were officially registered as of 2005; unofficial estimates put the number of unregistered NGOs as high as two million. The regime monitors their activities, but accords them *de facto* leeway because of the benefits they bring. Many seek improve-

ments in health, education, environmental protection, and services for the disabled, all to the sound of government toleration or even approval. By contrast, groups that focus on human rights and cultivate foreign ties have suffered increasing official harassment over the past two years.

The jailing of journalists, the closing of newspapers, and the censoring of websites reveal the CCP's determination to limit information and the independent organizing that it may spur. Nonetheless, information access and the ease of communication have both been on the rise. The media enjoy the freest hand they have had over their own content since 1949.<sup>17</sup>

The last three decades have seen the appearance of many new magazines and newspapers as well as talk radio, the Internet, and cell phones. The media cover a far wider range of topics than earlier, including official malfeasance and social problems as well as everyday concerns. More than a hundred million Chinese enjoy Internet access, and 450 million people—more than a third of the population—use cell phones. The government was able to block news of the Severe Acute Respiratory Syndrome (SARS) outbreak in late 2002 and early 2003—risking a global pandemic—but with half a billion text messages now beaming back and forth daily, the censors' task is hard and growing harder. What the regime ought to fear more than the spread of “unpatriotic” messages is the usefulness of devices such as the cheap, ubiquitous cell phone in organizing protests, exposing cover-ups, and even exacerbating situations that sometimes become riotous.

A conflict of goals besets the CCP. It wants economic information to flow freely, and the media can help to ferret out local corruption. Yet communications with any political coloration worry the Party greatly. The imperatives pull in opposite directions, giving rise to cycles of relaxation (the late 1980s before Tiananmen) and repression (the years after Tiananmen as well as the period since 2004). Backslidings toward restriction are almost certainly in store from time to time. Yet the underlying choice to accept markets is boosting people's access to information and their ability to reach each other, even if the right to free speech has yet to be recognized.

### **Village Elections Today, Township Elections Tomorrow?**

The 1988 Organic Law on Villager Committees required that they be popularly elected and charged with responsibility and hence authority in such areas as fiscal management, land allocation, and education. By the mid-1990s, 90 percent of committee heads held their posts by virtue of the ballot. The degree to which elections are fair, open, and competitive varies. Such requirements as direct nomination by individuals, multiple candidates, secret ballots, public counting of all

votes, immediate announcement of results, and regular recall procedures are not always followed, and the CCP's influence can decide outcomes.

As people come to enjoy more personal freedom, demand a larger say in matters that touch them directly, and feel fewer inhibitions about manifesting their discontents, the governance problems facing the CCP mount. If denied regular ways of dealing with their grievances and desires, people will increasingly choose irregular ways. The CCP might decide that the best way to fend off disorder is to empower people more. Township elections could be next.

The authorities in Beijing keep track of what they call "mass incidents." In 1995, about ten thousand were reported; a decade later the official figure had increased almost ninefold. Grievances are not in short supply. Although rural incomes have slowly grown, health and educational services have deteriorated in many places and the income gap between city and countryside is growing. The urban-rural Gini coefficient went from 0.28 in 1991 to 0.46 in 2000. (A higher number means less equal; it is 0.30 on average in Europe and 0.45 in the United States.) Income differences have also widened within urban areas, symbolized by reports of (dollar) billionaires.

Although taxes on peasants have been abolished, local officials still find ways to cheat them, often by colluding with developers to seize peasant lands with little compensation. With legal channels clogged and inadequate, mass protests become vehicles for voicing discontent and seeking change. The police report that many protests have elaborate organizations, complete with designated leaders, "public spokespersons," "activists," and "underground core groups." The protesters typically steer away from anything that looks like a direct challenge to Party authority, preferring to cite rights listed in party documents, laws, State Council regulations, and speeches by CCP leaders. Protests also tend to be carefully limited to local matters.

Informal protocols have evolved. The resisters seek redress by publicizing local officials' violations of national laws and norms. Local officials sometimes ignore the protesters or go through endless procedures without fixing the problems. If demonstrations persist or get too large, authorities may call in the police, arrest ringleaders, and then provide some compensation to the protesters. One scholar claims that "the state has made a conscious decision not to use its full coercive power to stop demonstrations. The airing of peasant grievances has become an accepted part of local politics. Workers and peasants now take to the streets feeling that it is now within bounds."<sup>18</sup>

Here as elsewhere, the government faces cross-pressures. Protests help to reveal the locations of abusive (and hence trouble-creating) local officials in need of removal, but an authoritarian party-state can hardly welcome frequent spontaneous demonstrations. The regime's solution

so far has been to spend more on infrastructure, pollution control, health care, and education in rural areas while also campaigning against trouble-makers, with a focus on abusive and corrupt officials. Whether such efforts will contain the problem, however, remains unclear.

One should not assume that wildcat protests in the countryside mean the regime is seriously threatened. People know the role of protests—and of leaders sometimes encouraging them—in their history. Yet while such unrest is not a sign that the Party is tottering, neither is it a sign of Party legitimacy.

More wealth means more freedom. People have assets, more choices among goods, and a greater ability to decide where to work, live, and travel. Private ownership of housing, automobiles, and businesses is becoming widespread in China, and many small enterprises have gone from state to private hands.

Not so long ago, a typical city-dweller depended directly on the state for schooling, health care, and housing. Reforms reduced these services but made many more goods available. And there are better jobs. The labor market is not fully free, and there is unemployment, including among new university graduates, but one of a citizen's major life choices—work—is no longer dictated by government.

A residency permit, long needed to gain access to state-enterprise jobs as well as housing, education, and various subsidies, is less vital than before. Economic liberalization, labor surpluses in the modernizing agricultural sector, and the shrinking of the state sector have led more than a hundred million people without permits to move to cities. There they often lack services but stay on anyway, evidently preferring freer urban air to the straitened life prospects that faced them in the countryside.

As literacy, urbanization, and mass-media exposure rise, modernizing societies experience characteristic shifts in values. The grip of tradition and hierarchy loosens as women begin working outside the home, the nuclear family replaces the extended one, marriage becomes more an individual choice than a family decision, and women bear children later in life. Such changes are occurring in China. Alex Inkeles writes that although not everything is changing, least of all the Chinese commitment to filial piety, “[m]any fundamental values are being challenged and reformulated, basic human relationships are redefined and reordered, and numerous traditional ways of thinking and behaving are undergoing a great transformation.”<sup>19</sup> Overall, investigators find the rejection of values that have long been near the core of Chinese culture to be “nothing short of phenomenal.”<sup>20</sup>

One interpretation of the above is that civil liberties have outrun political rights. The state might seek to close this gap by taking away people's recently acquired personal liberties, but such a course would cause so much trouble that officials are unlikely to pursue it. The gap

might also portend coming political instability. Here, what matters is that coming events not interfere with long-term growth in education and income. One can, of course, postulate long-lasting political instability, or slower long-term growth, but my projection assumes that neither of these will happen.

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*China's long-term prospects for achieving stable liberal democracy will be best if the liberal part comes first as a groundwork for the democratic part.*

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China's long-term prospects for achieving a stable form of liberal-democratic government will in all likelihood be best if the liberal part comes first as a groundwork for the democratic part. For that groundwork to be securely laid, education needs to continue spreading and improving, property rights need to receive increasing protection, transparent legal and financial institutions need to grow along with a robust private sector, personal

liberties need to keep expanding, and income distribution needs to avoid extremes of inequality. The general idea, as Persson and Tabellini put it, is that "the sequence of reforms is crucial; countries liberalizing their economies before extending political rights do better."<sup>21</sup>

Former U.S. secretary of state George Schultz once related to me how Deng Xiaoping addressed the matter in July 1988, when the two men were discussing Mikhail Gorbachev's reforms in the Soviet Union: "He's got it backwards," said Deng. "He opened up the political system without a clue about the economy. The result is chaos. I did it the other way around, starting in agriculture and small businesses, where opening up worked, so now I have a demand for more of what succeeds." When Schultz asked when political opening would occur, Deng said: "That will come later and will start small, just as in the economy. You have to be patient but you have to get the sequence right."

Scholar He Baogang suggests that the CCP might become the seedbed of a multiparty system, or at least its functional equivalent.<sup>22</sup> The CCP is home to factions that represent different interests, it holds internal contests for posts, and it is increasingly eager to monitor its members' performance, all of which might help to limit its tendencies toward tyranny and corruption. Taking another tack, Gang Lin argues that democracy (at least within the Party), rather than arising as a side-effect of ruling-party splits, could become a tool in the CCP's campaign to prop up its own authority.<sup>23</sup>

How will events unfold? No one can convincingly claim to know. There are many possible paths—rough, smooth, or in-between—that can lead to democracy. One way to gauge the route that may lie before China would be to estimate how freedoms might evolve as the country works its way through the lag between rapidly changing socio-economic realities and the political modes and orders that come under

**TABLE—PREDICTIONS FOR CHINA'S FUTURE**

YEAR	PER CAPITA GDP (2006 PPP)	AVERAGE YEARS OF SCHOOLING (>25)	PREDICTED ELECTORAL RIGHTS	PREDICTED FREEDOM HOUSE RATING
2010	\$8,500	6.3	22	Not Free
2015	\$10,000	6.7	43	Partly Free
2020	\$11,800	7.2	61	Partly Free
2025	\$14,000	7.7	76	Free

pressure to keep up despite the drag exerted by the force of institutional inertia.

Robert J. Barro's model generates quantitative predictions for electoral rights (corresponding to FH's "Political Rights" category). He found that the level of democracy, so measured, that is present in a given earlier period allows one to forecast the level of democracy found in a later period, albeit with decreasing certainty as the interval between periods widens. Barro also found several social variables to be predictors of democracy. These rising (in the case of China) variables include GDPpc and the educational level of the populace. Another positive predictor of democracy is a shrinking gap between the proportions of males and females who have been to primary school. Thus the extent of democracy in a country converges gradually toward a (moving) target determined by the social variables.

On a scale of zero to a hundred, entering my predicted social inputs (economic and educational inputs plus others) yields the predictions about electoral rights shown in the Table above for successive five-year periods to 2025. For 2010, China is still Not Free but by 2015 it edges into the Partly Free category and gets into the Free one by 2025. Evidence from around the world suggests that over almost two decades, a well-educated people whose average income is rising toward a figure of perhaps \$14,000 (PPP) by 2025 will almost certainly see its freedoms—including its electoral freedoms—expand. In 2005, every country in the world (oil states excepted) with GDPpc topping \$8,000 (PPP) was at least Partly Free; indeed, all ranked as Free except the tiny island city-state of Singapore.<sup>24</sup>

And yet—several things could go wrong. I have mentioned some of them.<sup>25</sup> The Barro parameters are based on the experiences of many countries and China is but one. In any case, I do not argue that China will ever be a Sweden or New Zealand; its democracy will probably have some "Chinese characteristics." Nearby there is Taiwan, whose democratization took almost forty years to complete beginning with local elections in the early 1950s; counting the same number of years from China's 1988 Organic Law on Villager Committees yields about 2025. The technocratic authoritarianism of Singapore offers a model that some CCP leaders must prefer to Taiwan's. Or Chinese politicians

might come up with a novel political arrangement that falls short of true liberal democracy but nonetheless offers the Chinese people more liberty and a bigger say in how they are ruled than they currently enjoy.

### Implications for Peace

I observed in 1996 that a democratic China in a region with many democracies would be good for peace because democracies do not fight each other (which does not imply that democracies are inherently peaceable).

Yet all is not necessarily well. Edward D. Mansfield and Jack Snyder find that countries making the transition from authoritarian to democratic governance are more likely to start foreign broils than are consolidated democracies because internal contests for power can cause a faction to identify, or to conjure up, a foreign enemy as a means of rallying mass support.<sup>26</sup> Mansfield and Snyder hold that this is most likely where elections are held in countries with a weak sense of nationhood, a shaky rule of law, feeble bureaucracies, poor civilian control of the military, a winner-take-all attitude among contending parties, and few safeguards for press freedom. This leads them to recommend that, where possible, elections should come on the heels and not ahead of institution-building, with a competent central government and legal system needed most urgently of all.

If these premises are correct, China's prospects are not bad. The Chinese today possess a strong sense of nationhood, a legal system that is moving in the right direction, a military that seems firmly under civilian control, increased professionalism in many organizations, and nothing like the shadow of "premature" elections on the horizon. Other positives for peace are China's high trade-to-GDP ratio and membership in several international organizations.

On the negative side, the country's experience with competing political parties was brief and long ago, and it turned out poorly. Corruption is pervasive, and the Communist Party shows no sign of a being ready to put up with having to run against anyone, much less lose to them. Most worrisome of all is the flashpoint for nationalist conflagration that sits just off China's coast on the other side of the Taiwan Strait.

To Beijing, Taiwan is but a renegade province, and the use of force against it would count not as a foreign war but as a domestic police action. If the disaster of an armed conflict between Beijing and Taipei (whose supporters are Japan and the United States) can be averted long enough for the mainland to become a democracy, the prospect of a peaceful solution will gather strength. Indeed, a more democratic mainland China is probably necessary for a peaceful resolution of this dispute. Yet a power struggle within China that drove some faction or factions to rouse popular nationalist sentiment could be one way in

which rising political pluralism might lead to big trouble. Another way would be for Taiwan to declare itself an independent country.

Should the hazards that come with transition be skirted, the democratic-peace thesis leads to a prediction that relations between China on the one hand and Japan and the United States on the other will remain pacific. Nonetheless, China's burgeoning economic and military clout will have consequences. In twenty years, the PRC's annual defense budget might exceed \$200 billion, and its military forces will have high-technology weapons. Its power will cause many small states to align themselves with Beijing like iron filings near a powerful magnet. There would remain the chance that China could use force against nondemocracies, but a China that navigates the transition to democracy without taking up the sword should on the whole improve the prospects for peace in the region and beyond.

Returning to the four questions posed at the beginning of this essay: 1) The economy looks likely to stay on a high growth path, albeit slowing as China's demography changes and its economy's performance converges on that of the world leaders. It is not immune to serious disruption. 2) Seymour Martin Lipset's hypothesis that development leads to freedoms is better supported than any current rival explanation. 3) By 2015, there is a good chance that China will have made its way into Freedom House's middling or Partly Free group, with a ranking as Free following by 2025. 4) Although the period of transition to free government could hold dangers, a democratic China will be a China that is less likely to fight with its democratic neighbors.

Sometimes events move fast. As late as the mid-1980s, few even among the experts anticipated that the Soviet Union would soon be gone. I am not suggesting that the CCP will be gone in one or two decades, but I do think that if it survives, it will be because it has learned to adapt and adjust to a much transformed—meaning a much freer—political landscape.

## NOTES

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1. Henry S. Rowen, "The Short March: China's Road to Democracy," *National Interest* 45 (Fall 1996): 61–70.

2. The widely used *CIA World Factbook* ([www.cia.gov/cia/publications/factbook/index.html](http://www.cia.gov/cia/publications/factbook/index.html)) estimates China's GDPpc for 2006 as \$7,600 rather than the \$6,000 figure that I deem more accurate. Estimating PPP values is an imperfect art and the *Factbook* value seems too high for a country whose exchange-rate GDPpc is only \$1,900 per annum. This last number, based on data from China's National Statistical Bureau, is much less controversial than the PPP figure.

3. Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic

Development and Political Legitimacy,” *American Political Science Review* 53 (March 1959): 69–105.

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7. Robert J. Barro, “Rule of Law, Democracy, and Economic Performance,” *2000 Index of Economic Freedom* (Washington, D.C.: Heritage Foundation, 2000).

8. Adam Przeworski et al., *Democracy and Development: Political Institutions and Material Well-Being in the World, 1950–1990* (Cambridge: Cambridge University Press, 2000); Carles Boix and Susan C. Stokes, “Endogenous Democratization,” *World Politics* 55 (July 2003): 517–49.

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11. Robert J. Barro and Jong-Wha Lee, “International Data on Educational Attainment: Updates and Implications,” *Oxford Economic Papers* 53 (2001): 541–63.

12. See [www.globescan.com/news\\_archives/pipa\\_market.html](http://www.globescan.com/news_archives/pipa_market.html).

13. When asked in a 2003 Roper Survey where stability ranked as a social value, Chinese ranked it second. Its average ranking by other nations’ citizens was twenty-third. Joshua Cooper Ramo, “The Beijing Consensus,” at <http://fpc.org.uk/publications/123>.

14. Zhengxu Wang, “Before the Emergence of Critical Citizens: Economic Development and Political Trust in China,” *International Review of Sociology* 15 (March 2005): 155–71.

15. “[T]he progress in legal reform since the end of the Mao era has been unprecedented in Chinese history, as reflected in the passage of a large number of new laws, the increasing use of the courts to resolve economic disputes, social and state-society conflicts, the development of a professional legal community, and improvements in judicial procedures. . . . Chinese courts have assumed an indispensable role in resolving economic, social and, to a limited extent—political—conflicts.” Minxin Pei, “Statement to the Senate Foreign Relations Committee, June 7, 2005,” at <http://www.senate.gov/foreign/testimony/2005/PeiTestimony050607.pdf>.

16. Benjamin L. Liebman, “Watchdog or Demagogue? The Media in the Chinese Legal System,” *Columbia Law Review* 105 (January 2005): 64.

17. Liebman, “Watchdog or Demagogue?” 56.

18. Jean Oi, “Bending Without Breaking: The Adaptability of Chinese Political

Institutions,” in Nicholas C. Hope, Dennis Tao Yang, and Mu Yang Li, eds., *How Far Across the River? Chinese Policy Reform at the Millennium* (Stanford: Stanford University Press, 2003), 450–68.

19. Alex Inkeles, “The Generalist Meets the China Specialist,” in *One World Emerging? Convergence and Divergence in Industrial Societies* (Boulder, Colo.: Westview, 1998), 96–113.

20. Goodwin C. Chu and Yanan Ju, *The Great Wall in Ruins: Communication and Cultural Change in China* (Albany: State University of New York Press, 1993).

21. Persson and Tabellini, “Democracy and Development,” 2.

22. He Baogang, “Intra-Party Democracy: A Revisionist Perspective from Below,” in Kjeld Erik Broedsgaard and Yongnian Zheng, eds., *The Chinese Communist Party in a New Era: Renewal and Reform* (London: Routledge, 2005), 192–209.

23. Gang Lin, “Ideology and Political Institutions for a New Era,” in Gang Lin and Xiaobo Hu, eds., *China After Jiang* (Stanford: Stanford University Press, 2003).

24. The 2006 coup in Thailand has caused that country to drop from Free all the way to Not Free in the FH rankings. Thailand’s 2006 PPP level of \$9,100 makes this a rare event. Russia, where per-capita income was \$12,100 PPP in 2006, was recently downgraded from Partly Free to Not Free. Yet Russia earns more than 60 percent of its export revenues from oil and natural gas, which puts it in the (politically unfortunate) category of petroleum states and hence outside the relevant comparison set for this essay.

25. Assuming a future growth rate 1 percentage point lower than in the case shown in the text would put China in the Partly Free rather than the Free FH category as of 2025.

26. Edward D. Mansfield and Jack Snyder, *Electing to Fight: Why Emerging Democracies Go to War* (Cambridge: MIT Press, 2005). For critiques of this line of thinking, see Michael McFaul, “Are New Democracies War-Prone?” *Journal of Democracy* 18 (April 2007): 160–67; and John R. Oneal, Bruce Russett, and Michael L. Berbaum, “Causes of Peace: Democracy, Interdependence, and International Organizations, 1885–1992,” *International Studies Quarterly* 47 (September 2003): 371–93.