

EDWARD S. STEINFELD

# PLAYING OUR GAME

*Why China's Economic Rise Doesn't  
Threaten the West*

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TO MY PARENTS,  
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ONE

## The Quiet Revolution

1989 to 2009: Two Decades,  
One Quantum Leap

In the summer of 1989, I arrived in China for a one-year stay as a visiting faculty member at a major Chinese university. Two decades have passed since then, a blink of the eye in the grand sweep of things. Yet, the China of twenty years ago is so far removed from the present as to feel like a distant dream, a sort of alternate universe to what we witness today. Had you in 1989 predicted that China twenty years down the road would look the way it does today, you would have been laughed from the room and with good reason. The things we take for granted in present-day rising China—the phenomenal growth rates, the high levels of exports, the vast foreign exchange reserves, and the sheer robustness of the system even in the face of serious worldwide recession—extraordinary though they may be, are the least of it. These are but surface manifestations of far deeper changes in China's social, political, and economic core. Chinese society in its most fundamental relationships—that between citizen and state, citizen and economy, and citizen and fellow citizen—has undergone a profound revolution. That revolution, China's capitalist embrace, is the subject of this book.

## The Waning Days of Totalitarianism

As I try to make sense of the contemporary scene, I often find myself thinking back to the summer of 1989. In June of that year, the Chinese government had violently and decisively quelled a popular uprising, a movement that for all its jumbled causes and motivations unquestionably pitted itself against the ruling party-state. Although the violent suppression was confined primarily to the capital, the political crackdown, like the popular uprising it targeted, extended across the nation. In its wake—figuratively if not literally—was left the smoking ruins of a deeply wounded society. Engulfed in the inescapable pall of governmental crackdown, China's urban citizens, almost all of whom had been caught up in the carnival-like protests of the previous spring, were left emotionally drained and spiritually defeated. By the late summer of 1989, the prevailing feeling was one less of terror than profound demoralization. The nation appeared dead in the water.

For all its uncertainties, life that autumn took on an apathetic, enervated quality. People kept their heads down and returned to normal work routines. They minded their own business as they waited nervously for the next shoe to drop in the deepening crackdown. Guarded in their conversations with one another, they were left mostly on their own to ponder questions of both personal and national import. "How far will the crackdown go?" "Will it make it to my door?" "What price am I going to pay for all I said and did months earlier?" Given how widespread the protests had been, virtually everyone was implicated and everyone was culpable. Even those who had done nothing felt they had done something.

For many people at the time, watching the seven P.M. nationwide television news broadcast became a sort of daily ritual. Night after night, benumbed citizens would tune in to see their premier, Li Peng, stridently upholding the banner of socialism, pledging to cede no ground to malign forces of liberalization, and vowing to apprehend those who had sought to sow disorder. Following such speeches would often be a broadcast of the most wanted list, an airing of official identification photographs—grainy portraits extracted from students IDs, citizen registration forms, and workplace IDs—for those being hunted down as leaders of the counterrevolutionary movement.

In the waning months of 1989, so much seemed to be moving forward elsewhere in the world. Truly wild things were happening: the dismantling of the Berlin Wall, the disintegration of the Iron Curtain,

and the birth of democracies across Eastern Europe. All this followed closely on the heels of democratization in the Philippines and South Korea. In China, though, the only movement seemed to be in reverse. While the rest of the world hurtled forward with giddy enthusiasm, Chinese citizens were offered little more than televised manhunts for teenage college students and a defiantly backward-looking ideology of no's: no liberalization, no spiritual pollution, no peaceful evolution from socialism, no capitalism, and on and on. To its domestic audience in 1989, the state offered a clenched fist and wagging finger. To those abroad, Beijing turned its back, vowing that although reform might be for others—Gorbachev's Soviet Union, the countries of Eastern Europe, and anybody else foolhardy enough to tempt the forces of dissolution—the Chinese government would hold the line. And as Eastern Europe captured the world's imagination with its heady revolution, the world turned its attention away from China. The future so clearly lay elsewhere.

The predicament for Chinese society at that time, though, went deeper than just the crackdown. Officially by this point, the policy of "reform and opening" (*gaige kaifang*) had already been under way for ten years. Yet, for the ordinary urban citizen, so much seemed not to have changed. The whole country felt mired down, incorrigibly stuck. Visitors to China twenty years ago could not help noticing a singular feature of Chinese cities: their darkness. Urban centers at the time had very limited public lighting, logically enough, for there was precious little activity worth illuminating. A scant few stores existed, and almost all shut down early. Service establishments—restaurants, noodle shops, teahouses—were virtually nonexistent. The opening of a private dumpling shop, no matter how ramshackle, was cause for great curiosity in late 1980s urban China. A place to go out to eat! Something to do! Something new to try!

Stores, such as they were, were state owned and idiosyncratically stocked. Of the smaller shops that existed, most were just street-front experiments in retail set up by the state factories and industrial establishments occupying the underlying premises. Their primary mission, which was taken up less than enthusiastically by the unfortunates assigned to work there, appeared to involve peddling their parent factory's surplus output. A few consumer knickknacks would also usually find their way onto the shelves. As a result, one would find these establishments selling the oddest combinations of merchandise: ballpoint pens and lathes, badminton birdies and sewer piping, eating utensils and engine lubricants.

Although perhaps trivial, such combinations pointed to a pervasive reality. This system was never intended to foster the kinds of transactions we take for granted in modern life. Nowhere to be found were the sort of relationships upon which modern-day markets, communities, and social networks are built. Indeed, urban Chinese society at the time was expressly structured to *impede* entrepreneurship, enterprise, civic interaction, and even the movement of people more broadly. It was a society thoroughly confined within a state-determined institutional hierarchy, a chain of command that extended from the heights of the party-state bureaucracy to the depths of the ordinary citizen's place of employment.

Contrary to the freewheeling world of the marketplace, this was a realm of verticality and control, a society structured at its most elemental level by the state-controlled work unit (*danwei*).<sup>1</sup> Citizens were assigned to these units, these places of employment, by the state. Even the privileged—college students, for example, on the verge of graduation—were assigned to units from a list handed down through the state allocation system. This assignment (*fenpei*), carried out in the case of college students by the department in which they majored, was fraught with import. It determined everything: one's job, one's city of residence, one's social circle, one's career prospects, and one's entire life trajectory more or less. It was a sentence as much as an assignment. Once assigned to an employer—generally, a state-owned factory, school, or governmental administrative organ—the citizen remained under that employer's jurisdiction, with only a few exceptions, for life. He or she was housed by that employer, cared for medically by that employer, and politically monitored by that employer. Almost anything the citizen might hope to do—marry, buy a ticket for travel to another city, apply for a passport, move from a dormitory into an apartment, and so on—was contingent upon receiving the employer's official approval.

Life under such circumstances was not about acquiring things in the marketplace or navigating through horizontal networks of acquaintances. It was about struggling from the bottom up against a maddeningly inflexible, utterly indifferent, and totally overtaxed state hierarchy.

This was more than just a political hierarchy, though. It was also an economic hierarchy inextricably linked with the logic of socialist command planning. The work unit, with all its restrictions and responsibilities, integrally supported the entire system of state-determined prices, state-controlled allocation of material goods, state-enforced scarcities, and state-determined goals of forced-draft industrialization.<sup>2</sup> The unit, then, was not only the place in which the citizen's life was lived and

his or her social circle was confined. It was also the end of the chain, the grassroots manifestation of the intertwined political and economic hierarchies defining Chinese socialism.

For the individual citizen, existence within one of these units amounted to a sort of cellular life, "cellular" not in terms of the omnipresent mobile phones so characteristic of present-day Chinese life but rather in terms of the physical walls that characterized so much of China through even the 1990s. Work units—whether schools, factories, or hospitals—were surrounded by high-perimeter walls (*weiqiang*). Contained within these walls were not just production facilities but also housing blocs, dormitories, canteens, clinics, and stores. The physical walls of the workplace defined the community within which one's life unfolded. It was from within those walls that you likely found your spouse, made your friends (and enemies), raised your children, got into and out of trouble, and negotiated your way through the political campaigns your employer administered as an arm of the state.

This system was about more than suppressed wealth or stifled opportunity. It was about more than the absence of stuff to buy, things to do, or places to go. Fundamentally, it was about a kind of enforced subordination, a kind of one-sided social contract between citizen and state that for all its tedium and blandness supplanted so many of the social relationships we view as intrinsic to modern life. In their residences, for example, people did not generally have telephones because telephones were allocated by the unit in only exceptional circumstances and always on the basis of status. But then again, people did not have the kind of extended circle of friends—whether in different jobs, different professions, or different neighborhoods, let alone distant cities—to whom a call might conceivably be directed. One's community was defined not by one's own preferences or interests but instead by a state-determined, employment-centered boundary.

Under such circumstances, the social contract, if it can be termed that, was straightforward. The state ruled, and the citizen obeyed. The state reached into the citizen's life and meted out basic daily necessities, and the citizen coped, often by competing against peers for the few crumbs of opportunity that made their way downward through the system. And finally, by locking citizens into walled-off, state-controlled workplace communities, the state ensured that daily life would remain subject to the mandates of a political hierarchy. The social and the economic, in essence, would always remain subordinate to the political.



By the late 1980s, the era of the heated, Maoist-style mass campaign was already dead and buried. The era of enforced obedience, however, was decidedly not. For the ordinary citizen in the summer of 1989, then, how despairing it was in the aftermath of Tiananmen to hear the powers that be offer nothing but paeans to past socialist glories and threats against present-day doubters. The leadership vowed defiance against the forces of liberalization. The citizenry, meanwhile, confined at the bottom of a massive state apparatus, had no out, no exit option.

### **Beyond the Revolution: Post-totalitarian China**

Now, jump forward twenty years. What a different world we find in Chinese cities. Bursting at the seams with new skyscrapers, new public transportation systems, and new public facilities, they look nothing like they did just years ago. Streets abound with stores and restaurants. Commerce can be found virtually everywhere and at any time. The physical remake, though, is the least of it. China's cities, even in the present economic downturn, vibrate with activity. That they do—that yesterday's grinding torpor has been replaced by today's frenetic buzz—is possible only because fundamental social change has taken place. Somehow, forces of liberalization have managed to run rampant. What that means, though, goes well beyond new attitudes or new degrees of permissiveness. The very structure of society itself, at its most elemental level, has become completely transformed.

At the heart of these changes is the disappearance of the socialist work unit. That which twenty years ago so shaped Chinese socialism—that which defined neighborhoods, social networks, and political life—is now thoroughly extinct. One day it seemed to determine everything. The next day it was gone. Revolution had occurred with nary a shot fired, a barricade mounted, or a manifesto proclaimed.

Employment figures, while not explaining how or why this happened, give a sense of what was involved. In 1978, roughly 80 percent of China's urban residents were employed in state firms—basically, traditional work units. The rest, often living in the traditional state units that employed other members of their immediate family, worked in collectives, smaller scale firms owned by local government. Private firms were nonexistent. By 1990, the figures had not changed all that much: 60 percent of urban residents were still employed in state units, 20 percent in collectives, and a smattering in nascent private firms. The state unit still shaped the core

of urban life. By 2007, however, a different world had come into being. A wide variety of employer types had burgeoned forth: private firms, limited liability firms, sole proprietorships, foreign-invested firms, wholly foreign-owned firms, and new state firms, among others. Only about a quarter of residents by this point were still working in state-owned or collective enterprises, but even these relatively traditional employers had shed the work-unit functions of yore.<sup>3</sup> The key point is that in today's China, the vast preponderance of urban citizens are employed outside the state sector.

Think, for a moment, what this means. For a private or foreign-owned firm to come into being, it has to hire workers. For even something as simple as that to happen, though, workers have to be mobile. They somehow have to be separated from long-standing practices of involuntary job assignment and lifetime attachment to the (state-owned) firm. In essence, a labor market has to develop. At the same time, workers being redeployed by these labor markets still have to be housed. Housing, then, rather than being monopolized by a handful of state-owned firms, has to be made available through another set of markets. Of course, for such housing markets to grow, they have to be supported by additional institutions like ownership rights, financing mechanisms for buyers, and rules for property transfer. Along similar lines, newly mobile workers still need health care, so health care must be detached from the state-owned firm and allocated on some other basis. As happened in China's case, markets would develop here too, with health care in today's ostensibly socialist China provided mostly on a fee-for-service basis and with very limited availability of insurance.<sup>4</sup>

Many economists argue that new enterprise starts, the number of new businesses created, are not just an indicator of economic robustness but really a key precondition for growth, especially in developing countries.<sup>5</sup> China over the past twenty years has realized extraordinary gains in this area. But for that to have happened, a whole series of markets had to cascade into place. Moreover, they had to *replace* mechanisms of allocation that, at least for the citizen, tightly linked socialist-style material provision with extensive political and social control. In essence, economic change meant political and social change as well.

### ***From Maoism to... Reaganism***

For many Chinese, these changes were at once liberating and unsettling. What is so interesting is that the changes, and the populace's response

to them, bear a certain resemblance to phenomena that have unfolded in the United States in recent decades. China, of course, as a nation still undergoing basic industrialization and urbanization is in a very different situation from the United States, not to mention being somewhere between eight and sixteen times poorer than the United States in per capita terms, depending on how the exact calculation is done.<sup>6</sup> Nonetheless, populations in both countries in recent decades have experienced a roughly comparable series of work-life changes: the disappearance of traditional jobs in manufacturing, the replacement of lifetime employment by flexible employment, the decline of employer-provided benefits, the rise of home ownership, and the rise of self-financing for health care.<sup>7</sup> Looking only at what happened on the ground, one could be forgiven for believing that the Reagan or Thatcherite revolution found its truest adherents in socialist China.

Workplace change in China unfolded quickly and in many ways brutally for the dispossessed. Labor market development in the late 1990s translated into job losses for millions of state enterprise employees, layoffs that took place in the absence of a meaningful social safety net.<sup>8</sup> In the process, the whole structure of employment was changing. Employment in manufacturing peaked in 1995 and then fell steadily through the early 2000s.<sup>9</sup> Meanwhile, the working-age population was ballooning in cities as people seeking better lives flooded in from the countryside. In 1980, just over 80 percent of the Chinese population lived in the countryside, and just under 70 percent of the Chinese labor force was employed in agriculture.<sup>10</sup> By 2005, less than 60 percent of the population was still classified as rural, and less than 45 percent of the workforce still worked the land. In any given year by the 2000s, some 140 million people constituted the “floating population” of temporary rural migrants into China’s cities.<sup>11</sup> Whether for permanent urban dwellers laid off from traditional manufacturing jobs or these new migrants seeking to leave farming, the new jobs would come primarily in construction, transportation, low-end services, and retail—sectors associated with flexible and often quite unreliable employment.

Housing markets throughout this period have translated into unprecedented levels of individual home ownership for Chinese citizens much as they have for Americans. Also as in the United States, though, such markets in China for some have translated into no housing, substandard housing, or the previously unheard of situation of being priced out of housing entirely. Chinese feel many of the same pressures that Americans do on this front, but unlike Americans, they tend to have much less access to mortgage financing. Hence, the individual Chinese

citizen’s exposure to phenomena like the American subprime mortgage debacle is somewhat minimized.

In a way much more reminiscent of the United States, Chinese health-care provision has been largely marketized, often in a manner more extreme than what Americans experience. For many Chinese citizens, markets for health care now often mean minimal insurance coverage, medical services available only on a cash-on-the-barrel basis, and wildly escalating costs for individuals and families.<sup>12</sup> For the vast majority of ordinary citizens, a major illness—something requiring surgery, a blood transfusion, or a round of chemotherapy—can lead to the impoverishment of not just a single person but several generations of an extended family. Many Chinese hospitals now offer state-of-the-art procedures and world-class medicines but only to those who can pay and pay up front in cash. For everybody else, including those showing up at an emergency room in desperate need of care, it is tough luck.

Whether for jobs, housing, or health care, the old system guaranteed provision, albeit at an extremely low level of quality and with no possibility of choice for the individual. The new system, replete with markets, offers almost the opposite: no guarantees, a tremendous range of quality standards—mirrored, of course, in a fee structure—and lots of choice. Needless to say, stark inequality has become an ever-present reality.

### *Political Life: The Transformation from Subject to Citizen*

Harsh or not, the new markets of the present era have profoundly affected people’s interactions with one another and the state. Consider, for a moment, what the end of the work-unit system has meant. Citizens now live not where they were assigned, and not necessarily among those with whom they work, but instead wherever they want or, more accurately, wherever they can afford to buy or rent. Their social networks have become exponentially more varied and diverse. Those relationships, in fact, have become completely different in character. No longer are they inward-looking relations of comradeship and competition within the physical confines and rigid hierarchies of the state work unit. Now, they are of types far more familiar to us: local relationships with neighbors; more geographically dispersed relationships with people who might share a common interest, hobby, or religion; and still other dispersed relationships with professional peers or fellow workers. This is the kind of outwardly directed pattern of social interaction that fuels commerce, fills stores with customers, packs

restaurants with patrons, and crowds streets with window shoppers. It is a pattern that, whether blissful or banal, most of us would recognize as normal civil society, something China's revolutionary leadership had effectively wiped out from the 1950s all the way through the early 1990s. The pattern today is also now supercharged by the incredibly rapid proliferation of communication technology: cell phones, text messaging, e-mailing, Internet browsing, and richly diverse electronic media.

Of course, state strictures affect each of these modes to the extent they touch politically sensitive issues. Yet, even in their most mundane, apolitical uses—socializing with friends, connecting with wider social circles, accessing stories about the wider world—these new modes transform the citizen's self-awareness and his or her access to a variety of new, organically created social constituencies. In essence, the citizen has been cut loose and cast into a social environment rich with choice, opportunity, risk, and pressure.

At one level, what this means politically is that people enjoy a freedom they had lacked for decades, the freedom simply to be left alone. This may not sound like much, but it has major implications for the kind of control the state can and cannot exert against the individual citizen. In the not-so-distant days of the work unit, the citizen existed in a position of economic dependence vis-à-vis the state. Things like job advancement, permission to marry, housing upgrades, and health-care access could all be used as conditioning devices, extended to reward compliance and withdrawn to punish insubordination. In those days, everything in life was political. Today, almost nothing is. Indeed, now, rather than enveloping the citizen in politics, the state strives to keep the citizens out entirely. Politics has gone from being all pervasive to being essentially off limits, an exclusive domain one enters at one's own risk but which one need not enter to live most aspects of daily life.

Thus, authoritarianism continues in China, but it continues on a wholly different footing and in a wholly different social context from the past. The social contract has been utterly transformed in ways that are still evolving today. No longer is the implicit principle "we the state rule by politicizing all aspects of your life, and you the citizen obey." No longer can it be that way given the marketization of so many aspects of life. Instead, the principle seems to have become "we the state rule the political domain, you the citizen are restricted from that domain, but all else is yours to do with as you want." Instead of civic life being subsumed within a political hierarchy—the totalitarian approach, in effect—the state now shuts the citizen out, drawing a series of

red lines (i.e., the organization of an independent political party, the staging of a political movement, the calling publicly for the end of the Communist Party) that the citizen is forbidden from transgressing. As important as those red lines may be for political expression, what is so interesting is that virtually everything else, including much behavior that we as outsiders might consider political in nature, is now fair game for the Chinese citizen.

Equally interesting, while the state can and does squash the few souls who, whether wittingly or not, cross the proverbial red lines, it faces a much bigger challenge with regard to the rest of the citizenry. It now needs these generally apolitical citizens to pay taxes, observe the laws, show up to work, and do all the other mundane but absolutely essential things necessary for stable social and economic development. But these positive behaviors, these positive forms of participation, can no longer be dictated through intimidation. The citizenry, after all, no longer constitutes a captive audience living day to day under the economic thumb of the state. Daily life is now governed by markets, not state hierarchy. What the government must do, therefore, is persuade ordinary, apolitical citizens that it rules in their interests and thus deserves their loyalty. It must, in essence, earn the voluntary compliance of its citizenry. Getting this appeal right—whether it involves the delivery of concrete material benefits or the proclamation of more abstract aspirational goals—represents no mean feat and is arguably far more challenging than harassing malcontents or arresting activists, which the Chinese state unquestionably also does on a regular basis.

The effort leads to some extraordinary situations today. We may routinely tell ourselves that the Chinese government's legitimacy rests on its ability to achieve national economic growth, a tall order in its own right. Official pronouncements by Chinese senior leaders, however, suggest that legitimacy rests increasingly on goals far more expansive and challenging even than that.<sup>13</sup> We now routinely witness China's leaders committing themselves publicly to aspirational goals like rule of law, equitable distribution of wealth, affordable health care, and a clean environment, just to name a few. The repeated avowals of Marxism-Leninism-Mao Thought are long gone. So too are many of the references to socialism. In their stead have come pledges to achieve not just national economic growth but also a kind of growth that brings measurable benefits and a particular quality of existence for individual citizens. This is not only about growth for the nation. It is about a kind of growth that benefits and serves the individual citizen. Oft-repeated official pledges to build a "middle class" (*xiaokang*) or "harmonious"



(*hexie*) society may appear vague and propagandistic. To some in the West, they seem comically so. In China's increasingly pluralistic society, though, they are anything but comical. Their vagueness, in fact, provides space for increasing numbers of constituencies—some within the state, some beyond, and many somewhere in between—to scramble in and fill in the blanks. Hence, even in mainstream media channels and regular public statements by government technocrats, the term “middle-class society” has come to include everything from clean air, safe products, and material wealth to access to education, a law-based system, and leisure time to pursue spiritual enrichment.

Whether and to what degree these things have been delivered is open to debate. That the government has now publicly tied its legitimacy to them, however, is beyond dispute. Whether such proclamations have been made with cynical intent is, frankly, immaterial, for as the commitments have been repeated over time, the state has become a prisoner of its own discourse. An ever-expanding rhetoric now drives an ever-expanding agenda of the sort that in any country requires dauntingly complicated policies and vast amounts of expertise to address. After all, we are talking about achieving outcomes amid complicated interactions among policies, bureaucracies, commercial actors, markets, different strata within society, and differing preferences among individual citizens. That is what governance in marketized environments is all about. Few governments anywhere, even in the richest, most advanced nations, have the capacity to negotiate their way through all of this effectively. In one way or another, most rely on civil society for help.

And here too, ironically, we witness the Chinese state drawing closer and closer to established Western norms in ways that underscore how rapidly the social contract in China is evolving. The state with one voice still warns citizens off politics, crudely swatting down those who venture into the ambiguously defined no-go zones of anti-state activism. Yet, with another voice, perhaps out of desperation, it now encourages civic actors to jump into an important piece of politics, governance. The state, having now publicly proclaimed itself accountable to the citizenry, and accountable along a wildly expanding array of dimensions—most of which it has limited capacity to address—requires the public's help.

It needs this help in at least two ways. First, it seeks the public's assistance in policing lower levels of state officialdom, levels that to the extent they veer off into egregiously corrupt and abusive conduct undermine the legitimacy of the political order. Hence, it arms citizens

with new legal rights and public information campaigns to ensure an understanding of those rights.<sup>14</sup> As a result, it often ends up triggering localized social movements and protests against local governmental malfeasance.<sup>15</sup> Sometimes, for reasons still poorly understood, it embraces such movements and extols them in the national press. At other times, for reasons equally unclear, it crushes them. In almost all cases, members of the state establishment—officials, academics, journalists—get involved on all sides, thus making it difficult to ascertain what the state's position is and whether the state should even be viewed as a coherent, rational whole.

Indeed, while many of us are inclined to view politics in oppositional terms (i.e., state vs. society), we might be better off adopting a more organic, evolutionary model of change to understand what is happening in China. Some of the most interesting forms of political activism in China today seem to involve overlapping efforts among ordinary citizens, muckraking journalists in the state media, and publicly minded gadflies in the state bureaucracy. Viewing their actions as patriotic and system supporting, these individuals coalesce loosely to fight what often amount to specific injustices: substandard construction of schools, excessive taxation of peasants, environmental violations by large companies, or corrupt real estate development.

Second, in areas for which the state has no capacity to deliver public goods at all, it tolerates and even encourages efforts by civic groups to step in and fill the void, particularly in local endeavors like building schools or mending roads.<sup>16</sup> Of course, such encouragement, whether of legal rights or civic groups, is often tentative and ambivalent. Civic actors who step too far forward under the current situation run the risk of crossing some unknown red line. Not surprisingly, aspects of rule of law and civic association are intensely threatening to the state. Hence, it is interesting that, in the current climate, they have at the same time become instrumentally important to the state, critical for maintaining effective governance, and arguably, critical for ensuring regime survival. The very things that in the past were absolutely forbidden precisely because they were so politically threatening have now become relatively commonplace. They have become so because under the new social order, threatening though they may be, they have become central to governmental survival. Ironically enough, the sources of stability and instability have become one in the same.

Exactly where this is heading is anybody's guess. It is already the case today, though, that one can witness head-spinning change, even at the highest reaches of the political system. The Central Party

School of the Chinese Communist Party provides a good example. This Beijing-based institution is the premier training academy for high-level officials. Its curriculum almost by definition must embody and reflect the official line, the official policy direction of the party-state. Not so long ago, the curriculum was firmly anchored in Marxist theory and ideological indoctrination. Today, such indoctrination has yielded to technical courses in public administration, public finance, environmental administration, and a variety of other functional specialties. Most interesting of all, in its political dimensions, the curriculum now includes courses on comparative democratic systems and the role of civil society in effective governmental performance.

In recent years, scholars within the school have issued public reports carefully outlining multistage plans for China's political development that, while mirroring the official discourse on scientific development and harmonious society, also specify representative democracy as the ultimate endpoint some decades down the road.<sup>17</sup> Authoritarianism, while by no means condemned, is presented as a transitional stage toward what the authors treat as the ultimate developmental endpoint, vibrant civil society and democratic governance. Given that these ruminations are emanating from the Central Party School and are being published in the open, they are taken by the public to signify at least some aspect of official thinking at the party's core. Interpret all this as you may, but how ironic that the greatest threat to the state in 1989—democratic governance and civic organization—is held out to officials in training, not to mention the public at large, as instrumentally necessary for making authoritarianism work and normatively appropriate as a long-term developmental goal.

Along equally head-spinning, albeit more down-to-earth, dimensions, we now see a government that, though it possesses the largest foreign exchange reserves in the world, today routinely has to cope with vitriolic public criticism of its handling of those funds. With the collapse of the American mortgage agencies Freddie Mac and Fanny Mae in late 2008 and into 2009, Chinese online bloggers and regular journalists alike began to question the Chinese government's exposure to overseas financial risk. Additionally, the government's official overseas investment arm, the China Investment Corporation, has been pilloried both online and in the Chinese print media for buying overpriced American securities at the peak of the market just prior to the downturn.<sup>18</sup> By spring 2009, Chinese Premier Wen Jiabao began expressing caution about the safety of China's \$1-trillion holdings of U.S. Treasury bills.<sup>19</sup> Some outsiders interpreted this as evidence of a more assertive China

emboldened by U.S. financial troubles. Numerous Chinese insiders, however, understood these comments as part of an effort to mollify a domestic audience that has become increasingly restive with awareness of how deeply their leadership has tied them to the U.S. economy.

These new circumstances may not be about people rising up en masse against a regime. They may not fit easily with concepts like contestation, state versus society, or officials versus dissenters. Yet, these new circumstances are about rapidly changing terms of participation by citizens and public officials alike. They are about all sorts of new social fissures and coalitions that rarely match up neatly against the kinds of divisions we are trained to think about: state versus citizen, public versus private, or government versus dissenter. And they are about a variety of societal players—some within the public sector and many outside it—scrambling to exert some influence over the whirlwind of changes affecting their country. This is not a story for the most part about some people pushing change and others resisting it. Rather, it is about many different kinds of people trying to get their hands on the helm and doing so in ways that the political hierarchy, whether wisely or not, has deemed legitimate. This is about political change that feels so exciting precisely because it involves politics that feels so normal. So much of modern Chinese history involves extraordinary circumstances—upheaval, struggle, mass mobilization, and political excess—erupting so frequently as to become almost routine. In that light, the emergence of true normality in politics, social life, and economics today seems utterly revolutionary.

The Chinese system today is hardly ideal. Pieces of it unquestionably operate with arbitrariness, brutality, and injustice. At the same time, however, the system is remarkably different from what it was two decades ago. It now operates in ways that would have been unimaginable in 1989, but ways that feel increasingly familiar to people who witnessed liberalization in the late stages of South Korean and Taiwanese authoritarianism. Somehow in the course of two decades, China has been transformed from a worn-out totalitarian throwback, a quirky and depressing historical outlier, to something far more recognizable, an authoritarian liberalizer in the East Asian developmental tradition. The Chinese state, not unlike the authoritarian regimes that existed in South Korea and Taiwan, may be wholeheartedly committed to preserving its own rule. In the current environment, however, the very steps it is taking to secure its rule are fundamentally transforming—indeed, have already transformed—the nature of that rule.