

GOVERNANCE AND LEGITIMACY IN CHINA:  
THE GLOBALIZATION DILEMMA

EVAN MCKAY  
DEPAUL UNIVERSITY  
2341-1/2 N. GENEVA TER.  
APT. 105  
CHICAGO, IL 60614  
[e.mckay@mac.com](mailto:e.mckay@mac.com)  
(816) 419-6872

#### ABSTRACT:

This paper examines how globalization is affecting the political legitimacy of the Chinese Communist Party (CCP). It argues that the CCP is increasingly staking its legitimacy on its ability to deliver economic growth. This results-driven legitimacy is both dependent upon and threatened by globalization. I examine three aspects of globalization in China in detail: the spread of modern communications technologies, the uneven distribution of economic growth, and the growing influence of international organizations and regimes in setting policy. Each of these aspects presents unique challenges to China's results-driven legitimacy, suggesting that the CCP's stranglehold on the political sphere may be in jeopardy. I conclude that the future of the CCP's legitimacy will depend on the type of governance approaches taken in response to the challenges of globalization. These challenges do not indicate that China is necessarily evolving into a democracy; they do indicate, however, that China faces a governance dilemma that will require creative and effective solutions to avoid political backlash.

#### ABOUT THE AUTHOR:

Evan McKay is a graduate student in the International Studies Program at DePaul University in Chicago, Illinois. He is pursuing a Masters of Arts in International Studies. His thesis will examine how Chinese political institutions are shaped by economic development and governance reform.

In May of 2005, Chinese President Hu Jintao gave the keynote address of *Fortune* magazine's annual Global Forum, which brought hundreds of CEOs and politicians to Beijing to discuss how China's emergence as an economic power is affecting international business. Hu offered a ringing endorsement of globalization's potential to strengthen China's economy and promote global cooperation. In his words: "The theme of the Forum, 'China and the New Asian Century'... shows that with surging economic globalization, China and Asia are quickly becoming a new growth engine for the world while the global boom is also generating more important opportunities for China and Asia."<sup>1</sup> This rosy portrait of globalization has become typical from China's political elites in recent years, especially when speaking to Western business leaders.<sup>2</sup>

Behind this façade of accommodation, however, China's leaders have taken a more nuanced approach to globalization. Based on a series of interviews with key figures in Chinese government and industry, Banning Garret has concluded that the majority of China's elites consider globalization to be a "double-edged sword."<sup>3</sup> China's leaders are convinced that they have no choice but to embrace globalization for its economic potential, but they are also increasingly concerned by its challenges to social and political stability.<sup>4</sup> This cautious approach reflects the precarious position of the Chinese Communist Party (CCP) in the twenty-first century. Because the Party – and, therefore, the Chinese state – is increasingly staking its legitimacy on economic prosperity, the challenges of globalization present a unique dilemma.

This paper will argue that the challenges of globalization are fundamentally questions of governance. Globalization does not of itself threaten China's authoritarian political system; rather, what matters is how the Chinese leadership manages and adapts to the changes globalization will bring with it. Because CCP legitimacy is now pegged not to ideology but to

economic prosperity, it needs the potential benefits of globalization to justify its rule. Yet, as this paper will show, the same process that promotes economic prosperity also presents significant challenges to traditional CCP legitimacy and governance. I will isolate three of these challenges to further illustrate what this governance dilemma means for Chinese political legitimacy: the information revolution, income disparity, and accession to international norms. The rest of this paper will be organized as follows. First, I will examine legitimacy within the Chinese political system: Why does China need globalization? Next, I will look at the three challenges in greater detail: What do they mean for legitimacy and governance? Finally, I will look at the prospects for China's future: Can the CCP meet the governance dilemma?

### **Legitimacy in Chinese Politics**

During the Mao Zedong era, China's elites considered ideology to be the foundation for their legitimacy. While based in Marxism and partly inspired by the Soviet model, CCP ideology had a few unique characteristics. First, Mao himself yielded considerable charismatic influence – emphasized by the prominence of “Mao Zedong Thought” as an academic discipline in Chinese political philosophy.<sup>5</sup> Also, Chinese communist ideology directed itself to the peasant and working classes of society at the expense of the intelligentsia or the entrepreneurial classes.<sup>6</sup> Thus, as Kenneth Lieberthal explains, ideology took precedence over governance: “Mao believed that it would be impossible in the world's most populous country to lead solely on the basis of formal government administration. He would have to instill in the people certain principles and a commitment to certain types of authority that would enable him not only to remain in power but also to remold the country over which he ruled.”<sup>7</sup>

After Mao's death in 1976, the CCP has gradually shifted the foundations of its legitimacy away from ideology and towards successful governance. Scholars have attributed this

shift to different developments in Chinese politics. For some, the impetus for change was the economic reform package heralded by Deng Xiaoping during the 1980s. For Lieberthal, the tragic decade of the Cultural Revolution had left the communist and Maoist ideology bankrupt. Thus, “Deng decided that [the new] source [of CCP legitimacy] must be more and better resources for the populace, and argued that the party’s only hope was the utilitarian principle that it could consistently ‘deliver the goods.’”<sup>8</sup> For others – including Stanley Rosen – the 1989 demonstrations and crackdown in Tiananmen Square were the most important catalyst for the transition, as the Party searched for some way to promote social stability.<sup>9</sup> Whatever the reason, it is clear that CCP legitimacy is increasingly tied to “quantitative” instead of “qualitative” goals.<sup>10</sup> In other words, it has taken the opposite view of Mao: governance and not ideology is now the foundation for Party rule.

China’s quantitative legitimacy has had some important implications for the way it has encountered globalization. First, unlike the Mao-era anti-intellectualism, China has now embraced science and technology as a key foundation for its economic strength (and, thus, party legitimacy). Party-affiliated newspapers in China are now filled with stories about the nation’s growing technology industries or foreign investments in infrastructure. While Maoist ideology promoted egalitarianism, China’s new “market socialism” has created a climate which embraces entrepreneurial success and has allowed civilians to acquire large fortunes.<sup>11</sup> One of former leader Deng Xiaoping’s most famous quotations was, “To get rich is glorious.” Finally, the “deliver the goods” model of CCP legitimacy has also gone hand-in-hand with openness to the world at large. Beginning with the Special Economic Zones during the early economic reforms, Chinese leaders have been more and more willing to allow foreign, often American, business interests to establish a presence within the nation. This has culminated in China’s embrace of

international organizations and regimes, under the now-familiar banner of “global cooperation” which Hu highlighted in his address at the *Fortune* Global Forum.<sup>12</sup> Together, these factors have encouraged the growth of China’s booming economy. But along with these successes have come mounting governance questions. Looking at these challenges in detail will illustrate their implications for CCP legitimacy.

### **The Information Revolution**

Perhaps the most obvious example of China’s embrace of globalization has been the enormous growth in telecommunications and information technology over the past fifteen years. As Frederick Tipson has explained, “The avenues and capabilities for communicating within China and with the world outside its borders have multiplied and intensified tremendously.”<sup>13</sup> While the information revolution began with the modernized coastal cities that have fueled much of China’s recent economic growth, the government has made a concerted effort to build telecommunications infrastructure in rural areas in recent years. The government’s newly established Ministry of Information Industry reports that 94% of villages are now connected with telephone service. Cell phone subscribers now exceed landline users, with 377 million users in total.<sup>14</sup> Most impressive has been China’s booming internet market: government officials report that there are 103 million “netizens” and 53 million broadband-connected households in China.<sup>15</sup> By comparison, recent figures suggest there are fewer than 40 million broadband users in the United States.<sup>16</sup> Even accounting for exaggeration by over-eager Chinese officials, it is clear that the information revolution is in full swing in the country.

While the Chinese government correctly views the growth of information and telecommunications technology as a key to future economic growth, it also presents a key challenge to CCP legitimacy. Tony Saich explains that the information revolution and the

internet in particular threaten the CCP's "monopoly over the flow of information."<sup>17</sup> As globalization has opened new venues for communication within China and with the outside world, the Party is no longer capable of limiting the public discourse away from criticism or "corrupt" topics like democracy or Tibetan independence. This development has led scholars like Barrett McCormick and Qing Liu to suggest that it offers "the potential to establish a more open and reasonable public sphere."<sup>18</sup> There is some evidence that public opinion from the internet and from a freer press is putting pressure on the Chinese leadership. In 2001, then-Premier Zhu Rongji was forced to issue a public apology when a government-sponsored cover-up of an explosion in a rural schoolhouse was exposed by the Hong Kong press and spread via internet message boards.<sup>19</sup> Johan Lagerqvist has suggested that internet public opinion has "influenced the verdicts of court judges, party officials, and the news agenda in traditional media types."<sup>20</sup>

The danger for the CCP is that if its "information autarchy" is unsustainable, its political legitimacy might be in jeopardy as well.<sup>21</sup> Aware of this risk, the government has taken some considerable measures to rein in the information revolution and control the "corrupting" influence of foreign media. Thus, China has at various times blocked foreign news websites such as CNN and the *Wall Street Journal* along with politically sensitive organizations like Amnesty International and the Taiwanese government.<sup>22</sup> Other governance attempts have included flooding the internet with Party- or government-sponsored websites,<sup>23</sup> widely publicizing arrests of dissidents who have posted democratic sentiments,<sup>24</sup> and screening bulletin boards and chat rooms.<sup>25</sup>

It is difficult to judge how successful these measures have been in managing the information revolution and protecting the CCP's claims to legitimacy, but it is clear that the

Chinese government has taken this challenge seriously. As a number of scholars have suggested, it is highly unlikely that China will be able to block all critical content on the internet from reaching its “netizens”. It would be a mistake, however, to conclude that the information revolution alone could topple the CCP’s grip on power in the country. Most internet usage is likely to be commercial or social in nature rather than political. Further, as Lagerqvist has suggested, even most political content within the Chinese web is notable not for its liberal or critical attitude, but for its often-vitriolic nationalism.<sup>26</sup> What the information revolution does represent, however, are shifting relations between the state and the society, typified by increased communication within the nation, a more critical and professional news media, and a more public-conscious policy-making apparatus. Collectively, these developments present a unique governance dilemma for the CCP.

### **Income Disparity**

Beyond the information revolution, globalization is also linked to China’s growing problem of uneven economic growth and income disparity. Under Mao egalitarianism had been a fundamental characteristic of the communist ideology, which makes disparity a particularly sensitive challenge for the CCP.<sup>27</sup> As Manuel Castells has argued, economic globalization tends to create winners and losers, or a “pattern of segmentation.”<sup>28</sup> In China, the winners have been those with access to new technology and foreign capital. This has primarily benefited the entrepreneurial classes along the coast. According to a United Nations-funded survey by three Chinese economists, “there exist significant differences in the pace and extent of globalization across regions.”<sup>29</sup> They expect this disparate globalization to substantially increase regional income disparity.

Numbers suggest that these predictions are already coming to fruition. The Gini coefficient – what economists use to measure income disparity within an economy – has risen from .33 in 1980 to .46 in 2000.<sup>30</sup> This means that a smaller number of people are now controlling a much larger portion of the national income. What makes this form of inequality troubling for China is that it has such a clear regional pattern. According to the UN-sponsored report, the coastal provinces receive nearly eight times as much foreign investment as the rest of the country combined.<sup>31</sup> Even the Party-controlled press like the *People's Daily* has called attention to the situation: “The crisis has become too serious for us to ignore.”<sup>32</sup>

China's regional income disparity has been attributed to several developments. First, as Tipson argues, access to the information revolution and all of the economic advantages it offers has been limited to the coastal engines of growth, creating a “stratified and compartmentalized society.”<sup>33</sup> Dali Yang, in his book *Beyond Beijing*, suggests that “preferential policies for the coastal regions” have expanded the technological advantages already built into the system.<sup>34</sup> Others, like David Dollar and Aart Kraay, blame access to education or other social services.<sup>35</sup> The UN report concludes that all of these factors are relevant, but that globalization is the only factor that is “rising over time.”<sup>36</sup>

The growing income gap in China poses a challenge to the CCP's governance-based legitimacy for a few reasons. First, as Yang suggests, regional disparity tends to be self-sustaining: “In a sense, the less developed areas in China are caught in a vicious circle of backwardness.”<sup>37</sup> In the provinces where globalization has not yet produced dramatic economic growth, there are rarely enough resources or talented officials to implement reforms that might rectify the problem. Perhaps more troubling, those marginalized by globalization are also those who had been the foundation of Maoist ideology: peasants and rural workers. Over time,

frustration and unrest within China's interior could pose a significant threat to Party legitimacy.

As the regional income gap has grown, migration from rural to urban areas has become another troubling issue for Chinese governance. Dorothy Solinger has explained how the income gap has brought millions of displaced rural workers to the coastal cities in search of employment. This "floating population" challenges the Chinese state's traditional controls of population and travel by ignoring the *hukou* or household registration system.<sup>38</sup> The state has no effective way of counting these migrant workers; to manage or support them is out of the question entirely. In essence, regional disparity has led to an internal migration problem similar to the illegal immigration situation in the United States: millions of displaced rural workers have flooded the Eastern coastal cities, with little government support or accountability.

The CCP has taken some cautious steps to reduce the regional income gap, but so far they have been largely unsuccessful. Efforts to reform and expand the social safety net have proven complicated. Even providing low-income housing, education, and health care has proven extraordinarily difficult for the party leadership.<sup>39</sup> A demographic study of *hukou* mobility has shown that when rural migrants have been granted urban classification, their access to education, employment, and other social services has been dramatically improved. Unfortunately, this survey also reveals that only a tiny minority of rural migrants has achieved *hukou* mobility – largely thanks to political ties with the local governments.<sup>40</sup> A recent editorial from the *People's Daily* called for a national income tax and expanding tax breaks to rural households, which probably indicates the direction China's top leaders intend to move on the issue.<sup>41</sup>

Yet, even overhauling the tax or social security structure is unlikely to remove the fundamental obstacles to a more equal development in China. As Dali Yang argues: "The dominance of coastal interest in Chinese politics is unlikely to be significantly altered without

fundamentally transforming the mechanisms of governance.”<sup>42</sup> While such a transformation seems unlikely, the alternative for the CCP may be crisis of legitimacy. The editorial in the *People’s Daily* reveals how much is at stake for China’s current leaders: “In the next five years, it is expected that the central leadership will be able to demonstrate how effective it is in tackling these challenges and fulfilling political promises.”<sup>43</sup> Clearly, how the CCP manages the governance dilemma of income disparity is linked to the legitimacy of the regime as a whole. Failure to at least improve the situation could create enormous political pressure from those who have been left out of the globalization boom. While the Chinese leadership seems aware of this dilemma, so far it has accepted growing income disparity as long as the national income has grown. Should the globalization boom slow down, however, trouble may follow.

### **Accession to International Norms and Regimes**

Along with the information revolution and income disparity, globalization also presents China’s government with a challenge to its sovereignty from above: accession to international norms and regimes. In order to gain the most benefit from the globalized economy, China’s leaders have sought membership in a number of international organizations. This process began with China’s entry into the United Nations in place of Taiwan in 1971, but until the 1990s the country had been reluctant to submit to the basic rules and norms associated with the international regime. As Elizabeth Economy and Michael Oksenberg have observed, however, “China’s record of integration is extensive.”<sup>44</sup> In joining the international community, the CCP has also been willing to allow its traditional governance methods to change, presenting some additional challenges to legitimacy.

Margaret Pearson has explained how China’s accession to international norms and regimes within trade and investment has forced the CPP to alter not only its policies, but also its

basic institutions.<sup>45</sup> This has included adapting the domestic financial bureaucracy to global standards, implementing bank and accounting reform, and planning a slew of measures to gain entry into the World Trade Organization (WTO).<sup>46</sup> Likewise, Nicholas Lardy has argued that in order to gain financing and support from the International Monetary Fund (IMF) and the World Bank, China has accepted counseling from these organizations in shaping monetary policy and liberalizing the domestic capital market.<sup>47</sup>

By far the most important challenge for China's governance system has come from accession and membership in the WTO. Under former-President Jiang Zemin, China entered negotiations with the United States to gain entry into the global trading regime. Since an agreement was reached in 1999, China has undergone a series of fundamental governance reforms to meet the membership requirements. In his book *Reforming the Chinese Leviathan*, Dali Yang examines many of these reforms. He concludes that "as China has become more deeply integrated into and dependent on the global economy, its behavior has also become more 'normalized.'"<sup>48</sup> Yang examines numerous ways in which the CCP has forsaken sovereignty and pushed through complicated reforms under the pretense that the WTO required them: legal system reform, state divestiture from business, and cautious government procurement of agricultural products.<sup>49</sup>

China's accession to international norms and regimes raises some important challenges to legitimacy. First, many of these organizations have required the Chinese state to cede parts of its sovereignty upwards, releasing the CCP's stranglehold on the policymaking apparatus. Yang suggests that the international regime is paving the way for a limited government in China, something the political elites probably do not intend.<sup>50</sup> Further, accession to global norms may also create tensions within the ruling elite, as those who favor reform and openness face those

who are entrenched in the traditional hierarchy and oppose foreign interference in state decision-making.<sup>51</sup>

Perhaps the most challenging aspect of China's entry into the WTO will be its effect on the domestic economy. While it is widely believed that WTO-accession will be good for China in the long term, Solinger and others have suggested that short-term restructuring could be devastating for China's urban state-enterprise sector. She argues that up to 40 million urban workers will lose their jobs thanks to China's entry in the WTO.<sup>52</sup> The implications on state-society relations of such widespread unemployment could be disastrous. It will take dramatic governance reform for the CCP to smooth the transition to international organizations like the WTO. If this governance reform fails, the legitimacy of the state would certainly begin to look suspect.

### **Prospects for Governance and Legitimacy**

How will China's leaders respond to the governance challenges of globalization? Can the CCP retain legitimacy in an era of information revolution, economic dislocation, and weakened sovereignty? These questions speak to the future of Chinese politics and the fate of 1.3 billion Chinese people. In the academic community, however, there are some widely divergent opinions on the future of Chinese governance. This debate is best seen by examining two opposing viewpoints: governance optimists and governance pessimists. The optimists, typified by Dali Yang in his book *Remaking the Chinese Leviathan*, argue that as China encounters globalization – especially its economic form – the CCP will gradually adapt to its environment and meet the governance challenges as they emerge. Pessimists like Minxin Pei, on the other hand, view the governance dilemma as a crisis for the CCP which will lead to fundamental political reforms one way or another. Looking at these positions in more detail will

isolate the governance choices available to the CCP as it encounters globalization.

Yang may be called an optimist not because he necessarily believes China will become a more democratic nation in the future, but because he believes the CCP can manage its governance dilemma without a significant crisis of legitimacy. He compares the current situation in China to the experiences of the United States at the turn of the twentieth century and the former Soviet Union after the fall of the Berlin Wall. He concludes that China has followed the American model more closely than the Russian model. This has included a more competent and accountable central government (Russia quickly devolved much of the central authority of the state to the provincial governments).<sup>53</sup> By retaining significant authority, the CCP has been able to promote a series of governance reform packages that, according to Yang, have opened the path to a limited government.<sup>54</sup> These governance reforms include: divestiture of the state from private business, administrative accountability, and anti-corruption measures. In sum, Yang argues that the Chinese method of pushing for governance reform before political liberalization will be more effective than its inversion: the Russian model in which democracy was quickly instituted without central authority or governance capacity. Thus, while he admits China's governance reforms are a "work in progress," Yang concludes that they have set the stage for "a transformation of government behavior in the making."<sup>55</sup>

Yang's optimism is a stark contrast to the pessimism of scholar Minxin Pei, who considers China's current situation to be a "governance crisis."<sup>56</sup> Pei sees "fundamental contradictions in the reforms" that Yang considers to be so important for China's future.<sup>57</sup> He suggests that the governance dilemmas from globalization and disparate economic growth have crippled the CCP's capability to manage the country and implies that China is becoming a "failing state."<sup>58</sup> His argument depends on his claim that the governance dilemma has created a

crisis in state-society relations. In other words, Pei believes that the CCP's legitimacy is not only in jeopardy, but has eroded to dangerous proportions. Pei blames this legitimacy crisis on many of the globalization dilemmas discussed above: reduced CCP sovereignty and authority, growing regional income disparity, and erosion of the ideological foundations of party rule. He concludes that even if the CCP seeks to address this crisis, its future is in doubt: "The accumulation of state-society tensions will eventually destabilize China, especially because the dynamics that generate such tensions trap the CCP in a hopeless dilemma. Rising tensions increase the risks that any reforms, even implemented as remedies, could trigger a revolution."<sup>59</sup>

These polarized visions of the future of the CCP illustrate the complexity of the governance crisis for China, but they also may ignore a more plausible option. Both Yang and Pei accept that the CCP's legitimacy is now tied to prosperity, and their scenarios largely depend on the way they view China's prospects for prosperity in the future. Yang suggests that China will continue to grow and that prosperity may be enough to stabilize the political realm.<sup>60</sup> Pei calls into question the common assumption that China can sustain its current growth and argues that a slowing economy may trigger revolution.<sup>61</sup> I suggest that there is an easier and more likely way for the CCP to escape this legitimacy trap: redefining its legitimacy.

If Party legitimacy is tied to something other than quantitative economic indicators, the CCP will be more likely to survive any economic slowdown. Indeed, I argue that China's first response to economic struggles would not be a reform package (as Pei suggests), but an attempt to redefine legitimacy based on either a return to ideology or on a populist brand of nationalism. It is difficult to see the Chinese society welcoming back communist ideology, especially since the Deng-era reforms did so much to distance the state from Maoism. Yet, as Lagerqvist and others have shown, nationalism has growing appeal in Chinese society – especially among the

youth.<sup>62</sup> The CCP could seek to capitalize on Chinese nationalism and blame its problems on the outside world (particularly the United States). This redefined legitimacy would help the party retain power, but it would not escape all of the dilemmas of globalization. In fact, as the state-orchestrated anti-Japanese protests in 2004 demonstrate, the problem with releasing bottled up Chinese nationalism is that it is not always very easy to control. By redefining legitimacy, however, the CCP would be able to relieve short-term pressures on the political elites, even if it risks long-term social instability.

No matter how the Chinese leaders seek to address the governance dilemmas associated with globalization, it is clear that much hangs in the balance. How the state manages dramatic social stratification, eroding sovereignty, and the information revolution will in large part dictate the future for China's 1.3 billion people. It is important to remember, however, that this is a governance issue at heart. Globalization itself will not lead to democracy in China. It is not a get out of jail free card for the Party, either. What will determine the fate of the Chinese Communist Party will largely be the way it responds to and manages the challenges globalization poses in an era of change.

## NOTES

1. "Full Text of Hu Jintao's speech at 2005 Fortune Global Forum," *Xinhua*, May 16, 2005.
2. Tony Saich, "Globalization, Governance, and the Authoritarian State: China," *Governance in a Globalizing World*. eds. Joseph S. Nye and John D. Donohue (Washington: Brookings Press, 2000), 210-211.
3. Banning Garrett, "China Faces, Debates, the Contradictions of Globalization," *Asian Survey* 41, no. 3 (May-Jun., 2001): 412.
4. Garrett, 409.
5. Joseph Fewsmith, *China Since Tiananmen* (Cambridge: Cambridge University Press, 2001), 99.
6. Kenneth Lieberthal, *Governing China* (New York: Norton, 1995), 70-72.
7. Lieberthal, 63.
8. Lieberthal, 127.
9. Stanley Rosen, "Chinese Media and Youth." *Chinese Media, Global Contexts*. ed. Chin-Chuan Lee (London: Routledge-Curzon, 2003), 113.
10. Rosen, 113.
11. The recent death of Rong Yiren has highlighted the potential for accumulating personal wealth within China's nominally socialist economy. According to an obituary in the *Economist* (Nov. 5, 2005. 94), Rong's fortunes totaled \$1.9 billion in 2000, enough to place him on *Forbes'* list of the world's richest people.
12. "China Offers Win-Win Oppportunities: Hu Jintao," *Xinhua*, May 16, 2005.
13. Frederick Tipson, "China and the Information Revolution" *China Joins the World: Progress and Prospects*. eds. Elizabeth Economy and Michael Oksenberg (New York: Council on Foreign Relations Press, 2003), 231.
14. "Telephone Service Available for 94 pct Villages," *Xinhua*, October 27, 2005.
15. "China now has 103 mln netizens," *Xinhua*, November 3, 2005.
16. "Broadband Lag Could Hurt US," *CNN/Money*, June 17, 2005.

17. Saich, 222.
18. Barrett L. McCormick and Qing Liu, "Globalization and the Chinese Media" *Chinese Media, Global Contexts*. ed. Chin-Chuan Lee (New York: Routledge/Curzon, 2003), 140.
19. McCormick and Liu, 140-142. Zhu had blamed the explosion – which killed 17 children and over 40 people in all – on a crazed individual who had smuggled explosives into the school. Hong Kong journalists fished out a more plausible explanation: the school had a contract with a local fireworks manufacturer and the explosion was an unfortunate accident. When it became clear that Zhu's explanation – which had been widely covered by the state-run media outlets – was not going to survive scrutiny, he apologized before the NPC and called for higher safety regulations.
20. Johan Lagerqvist, "The Rise of On-line Public Opinion in the People's Republic of China," *China: An International Journal* 3, vol. 1 (Mar. 2005): 130.
21. Tipson, 233.
22. Tipson, 252.
23. Chin-Chuan Lee, "The Global and the National of the Chinese Media," *Chinese Media, Global Contexts*. ed. Chin-Chuan Lee (New York: Routledge/Curzon, 2003), 15.
24. Nina Hachigian, "The Internet and Power in One-Party East Asian States," *The Washington Quarterly*, Summer 2002. 49.
25. Tipson, 252.
26. Lagerqvist, 124-126.
27. Lieberthal, 70.
28. Manuel Castells, "Global Informational Capitalism," *The Global Transformations Reader*. eds. David Held and Anthony McGrew (Malden, MA: Polity, 2003), 325.
29. Guanghua Wan, Ming Lu, and Zhao Chen, "Globalization and Regional Income Inequality: Evidence from within China." UNU-WIDER Discussion Paper N. 2004/10 (November 2004): 4.
30. Gene H. Chang, "The Cause and Cure of China's Widening Income Disparity," *China Economic Review* 13 (2002): 335.
31. Wan, et al., 7.

32. "Income Disparity Heralds Tough Tests," *People's Daily*, October 24, 2005.
33. Tipson, 256.
34. Dali Yang, *Beyond Beijing: Liberalization in the regions of China* (New York: Routledge, 1997), 39.
35. David Dollar and Aart Kraay, "Spreading the Wealth," *The Global Transformations Reader*. eds. David Held and Anthony McGrew (Malden, MA: Polity, 2003), 450.
36. Wan, et al., abstract. The economists quantify the role played by ten economic indicators in the widening income disparity. Their numbers suggest that globalization is the fastest rising indicator and is now the most statistically significant factor in the income gap (13-14).
37. Yang, 137.
38. Dorothy Solinger, "China's Floating Population: Implications for State and Society," *The Paradox of China's Post-Mao Reforms*. eds. Merle Goldman and Roderick MacFarquar (Cambridge: Harvard University Press, 1999), 221.
39. Solinger, 233-237.
40. Xiaogang Wu and Donald J. Treiman, "The Household Registration System and Social Stratification in China: 1955-1996," *Demography* 41, no. 2 (May 2004): 381.
41. "Income Disparity Heralds Tough Tests," *People's Daily*, October 24, 2005.
42. Yang, 142.
43. "Income Disparity Heralds Tough Tests," *People's Daily*, October 24, 2005.
44. Elizabeth Economy and Michael Oksenberg, "Introduction: China Joins the World," *China Joins the World: Progress and Prospects*. eds. Elizabeth Economy and Michael Oksenberg (New York: Council on Foreign Relations Press, 1999), 20.
45. Margaret Pearson, "China's Integration into the International Trade and Investment Regime," *China Joins the World: Progress and Prospects*. eds. Elizabeth Economy and Michael Oksenberg (New York: Council on Foreign Relations Press, 1999), 198.
46. Pearson, 184-190.

47. Nicholas Lardy, "China and the International Financial System," *China Joins the World: Progress and Prospects*. eds. Elizabeth Economy and Michael Oksenberg (New York: Council on Foreign Relations Press, 1999), 209-212.

48. Dali Yang, *Reforming the Chinese Leviathan* (Stanford: Stanford University Press, 2004), 307.

49. Yang, 307.

50. Yang, 307-8.

51. Yang, 308. Pearson offers a contrasting view. She suggests the debate between reform and openness was settled in the early 1990s (186-7). Nevertheless, her analysis of the debate does a good job showing what is at stake for the remaining conservatives in the political establishment.

52. Dorothy Solinger, "Chinese Urban Jobs and the WTO," *The China Journal* 49 (January, 2003): 62.

53. Yang, 297-303.

54. Yang, 309.

55. Yang, 291.

56. Minxin Pei, "China's Governance Crisis," *Foreign Affairs* 81, no. 5 (Sep/Oct 2002): 96.

57. Pei, 97.

58. Pei, 103.

59. Pei, 108.

60. Yang, 17-18.

61. Pei, 109

62. Lagerqvist, 129. Also, Suisheng Zhao has looked at nationalism as an emerging force in Chinese politics and society: "Partially spontaneous and partially state-led, nationalism has become a driving force in China's political life and economic modernization" (22).

## WORKS CITED

- Castells, Manuel. "Global Informational Capitalism." *The Global Transformations Reader*, eds. David Held and Anthony McGrew, 311-334. Malden, MA: Polity, 2003.
- Chang, Gene H. "The Cause and Cure of China's Widening Income Disparity." *China Economic Review* 13 (2002). 335-340.
- Dollar, David and Aart Kraay. "Spreading the Wealth." *The Global Transformations Reader*, eds. David Held and Anthony McGrew, 447-454. Malden, MA: Polity, 2003.
- Economy, Elizabeth and Michael Oksenberg. "Introduction: China Joins the World." *China Joins the World: Progress and Prospects*, eds. Elizabeth Economy and Michael Oksenberg, 1-41. New York: Council on Foreign Relations Press, 1999.
- Fewsmith, Joseph. *China Since Tiananmen*. Cambridge: Cambridge University Press, 2001.
- Garrett, Banning. "China Faces, Debates, the Contradictions of Globalization." *Asian Survey* 41, No. 3 (May-Jun., 2001): 409-427.
- Hachigian, Nina. "The Internet and Power in One-Party East Asian States." *The Washington Quarterly*, Summer 2002, 41-58.
- Lardy, Nicholas. "China and the International Financial System." *China Joins the World: Progress and Prospects*, eds. Elizabeth Economy and Michael Oksenberg, 206-230. New York: Council on Foreign Relations Press, 1999.
- Lagerqvist, Johan. "The Rise of On-line Public Opinion in the People's Republic of China." *China: An International Journal*. 3, vol. 1 (Mar. 2005): 119-130.
- Lee, Chin-Chuan. "The Global and the National of the Chinese Media." *Chinese Media, Global Contexts*, ed. Chin-Chuan Lee, 1-31. New York: Routledge/Curzon, 2003.
- Lieberthal, Kenneth. *Governing China*. New York: Norton, 1995.
- McCormick, Barret L. and Qing Liu. "Globalization and the Chinese Media." *Chinese Media, Global Contexts*, ed. Chin-Chuan Lee, 139-158. New York: Routledge/Curzon, 2003.
- Pearson, Margaret. "China's Integration into the International Trade and Investment Regime." *China Joins the World: Progress and Prospects*, eds. Elizabeth Economy and Michael Oksenberg, 161-205. New York: Council on Foreign Relations Press, 1999.
- Pei, Minxin. "China's Governance Crisis." *Foreign Affairs* 81, no. 5 (Sep/Oct 2002): 96-109.

- Rosen, Stanley. "Chinese Media and Youth." *Chinese Media, Global Contexts*, ed. Chin-Chuan Lee, 97-118. London: Routledge-Curzon, 2003.
- Saich, Tony. "Globalization, Governance, and the Authoritarian State: China." *Governance in a Globalizing World*, eds. Joseph S. Nye and John D. Donohue, 208-228. Washington: Brookings Press, 2000.
- Solinger, Dorothy. "China's Floating Population: Implications for State and Society." *The Paradox of China's Post-Mao Reforms*, eds. Merle Goldman and Roderick MacFarquar, 220-240. Cambridge: Harvard University Press, 1999.
- \_\_\_\_\_. "Chinese Urban Jobs and the WTO." *The China Journal* 49 (January, 2003): 61-87.
- Tipson, Frederick. "China and the Information Revolution." *China Joins the World: Progress and Prospects*, eds. Elizabeth Economy and Michael Oksenberg, 231-265. New York: Council on Foreign Relations Press, 2003.
- Wan, Guanghua, Ming Lu, and Zhao Chen. "Globalization and Regional Income Inequality: Evidence from within China." UNU-WIDER Discussion Paper N. 2004/10 (Nov. 2004): 1-28.
- Wu, Xiaogang and Donald J. Treiman. "The Household Registration System and Social Stratification in China: 1955-1996." *Demography* 41, no. 2 (May 2004): 363-384.
- Yang, Dali. *Beyond Beijing: Liberalization in the Regions of China*. New York: Routledge, 1997.
- \_\_\_\_\_. *Remaking the Chinese Leviathan: Market Transition and the Politics of Governance in China*. Stanford: Stanford University Press, 2004.
- Zhao, Suisheng. "We Are Patriots First and Democrats Second. *What If China Doesn't Democratize?* eds. Edward Friedman and Barrett L. McCormick, 21-48. Armonk, NY: ME Sharpe, 2000.