

The report to the 17th National Congress of the CPC in 2007 systematically summarized the basic situation and experience of the political development in China since the launch of the reform and opening up 30 years ago, especially those in recent years, and put forward clearly for the first time the path of political development with Chinese characteristics, that is, propelling the development of people's democracy and achieving socialist democratic politics with inner-Party democracy on the basis of the national people's congress system, multi-party cooperation system of regional ethnic autonomy and grassroots democratic self-government system.

Hence, the path of political development with Chinese characteristics, is actually a response to how to construct the socialist democratic politics. According to the report to the 17th National Congress of the CPC, the construction of democratic politics in China mainly includes the following aspects: pushing forward the construction of democratic politics in state authorities, actively strengthening the construction of inner-Party democracy, developing grassroots democracy, carrying forward the scientification and democratization of decision-making, and perfecting the decision-making system and the restrictive and supervisory system.

II. Main Aspects of Political Reform and Political Construction

Great changes have happened to the appearance of Chinese politics after more than 30 years of political reforms and construction, some

fields even seeing revolutionary reforms, which are mainly happened to the leadership system of Party and state, the administrative management system and the relations between central and local authorities, as well as the relations between the state and the society.

1. The Party and state leadership system: towards to institutionalization and legislation

The signs of the rule by man are the Life-long tenure of the position and the personification in the policy procedure, which were common in China before the opening up. Since the 1980s, China has been gradually recovering and perfecting the Party and state leadership system, and going towards institutionalization and legislation. The Party and state leadership system is an overall name for the political system in China, which includes the Party itself and its relations with the people's congress, the military, the government, the judicial system and the society. In general, changes in the Party and state leadership system can be seen in the following major aspects.

Firstly, it is the retirement system. As mentioned above, the first collective retirement system in the history of the Communist Party of China was launched in 1985. In 1989, Deng Xiaoping retired, marking an official shake-off of Life-long tenure at the topmost posts in China and laying a foundation for later political progresses. At the 16th National Congress of the CPC held in 2002, the Party's third of central collective leadership with Comrade Jiang Zemin retired simultaneously, marking the official establishment of the system of fixed tenures at inner-Party posts.

Secondly, it is the legalization of Party wills. After Deng Xiaoping made the speech on the topic of *On the Reform of the Party and State*

Leadership System in 1980, the CPC Central Committee decided that Party committees at all levels should stop to issue any legal documents in the name of the Party; matters needing to be examined and approved by the people's congress or its standing committee in accordance with the Constitution and law must be submitted to the people's congress or its standing committee for examination and approval; that Party committees at all levels, when examining cadre candidates who need to pass legal procedure, must respect the opinions from the representative of the people's congress and its standing committee; and that the appointment and removal of national leaders must be in full accordance with the Constitution and follow the procedures prescribed by law, etc.

Thirdly, it is the administration by law and the establishment of accountable government. For years, the CPC Central Committee and the State Council of China have taken a series of measures to effectively push forward the administration by law and constantly speed up the construction of a government featuring the rule of law. Currently, the operation of administrative powers by governments at all levels has been gradually put into the orbit of the rule of law; the legal system to regulate the obtainment and operation of government power has formed initially; and important progresses have been achieved about the administration by law and the building of accountable government.

With the reforming and building of the Party and state leadership system, the functions of people's congress are no longer limited to legislation, but its supervisory function is also being reinforced. As an institutional arrangement to connect the Party with the society, the multi party cooperation system has attracted much attention because of non-Party figures beginning to take important leading posts. In

addition, the development of inner-Party democracy, the transparency and openness of the system of Party controlling cadres, and the expansion of the autonomy in enterprises and public utilities are milestones of legalization progress of the Party and state leadership system.

2. Administrative reform; self-revolution of the government

In the process of restoring the order after the “cultural revolution”, departments of the State Council of China once reached more than 100 at most. It was the product of the planned economy, within which, government departments were set for industries and products accordingly. It obviously could not meet the requirements of the reform and opening up, especially the requirement the socialist market economy. For this reason, China has conducted several institutional reforms since the reform and opening up, and proposed clearly to set up the “super-ministries system”.

Administrative reform includes not only restructuring, but also the transformation of government functions and the transition of government behaviors. In the pursuit of adapting to the market economy, entrepreneurial government was once popular, while service-oriented government is proposed in China currently. Regardless of the type of the government, the most important thing is the legalization of government behaviors. In recent years, legalization of government behaviors in China are mainly reflected in open legislation, routinization of administrative decision-making, reform of the administrative examination and approval system and the implementation of the Administrative Licensing Law of the People’s Republic of China. On the

basis of implementing the Administrative Licensing Law, China boosted the reform of the administrative examination and approval system, reduced and regulated administrative examination and approval. Up to October 2007, the State Council of China had nullified and modified, in four batches, 1,992 administrative examination and approval items, and provincial governments nullified and modified more than 22,000 administrative examination and approval items, both accounting for over half of the original ones.

Legalization of government behaviors is a result of active government demand, a “self-revolution”, and a choice and process in face of various pressures.

3. Relations between the central and local governments: political unitary system and economic federalism

China was a typical state with a unitary government system before the launch of reform and opening up. For political matters, the Organization Department of the CPC Central Committee directly controlled all Party cadres above the department or bureau level; for the public finance, a system of centralized revenue and expenditure was implemented; as for the power of administration, even building a public toilet in a city needed the approval of the competent authority. The reform and opening up led to a political-economy dual situation combined by political unitary system and economic federalism.

The Chinese politics and economy show a duality tendency currently. As known to all, the most central indicator to measure the relations between the central and local governments is the fiscal system. From the “big pot” finance with centralized revenue and expenditure in the era of the planned economy, to the fiscal responsibility system in the

1980s, then to the system of tax division between central and local governments launched across China since 1994, the fiscal system in China has seen revolutionary changes. Under such a fiscal system, it has become a new institutional arrangement that local governments play the role of stakeholders instead of agents in the past, and the market plays a leading instead of auxiliary role. The theoretical discourse to such institutional arrangement is “fiscal federalism”, even “economic federalism”.

The politics-economy dual structure brought a new challenge to state governance when the “old vertical governance structure” met with the new “horizontal governance structure”, a metaphor for local governments that had been fiscally federalized. More seriously, under the principle of setting departments according to government levels, some departments may be captured to be the tool for protecting local interests since economic federalism had greatly strengthened the administrative authorities of local governments, which directly dissipated economic resources, the foundation of state power, even legal authority, the will of the state.

To solve the problem above, the governance strategy should contain at least three key points:

Firstly, to boost further administrative reforms to rationalize the relations between “vertical” and “horizontal” governance, which had become a home truth truism, yet not straightened out clearly.

Secondly, to change the practice of setting government departments within the planned economic system which is from the topmost to the lowest level. In market economy, there is no further need for the existence of economic management departments locally, especially in

municipal or county levels. Since state-owned enterprises at the municipal and county levels have become faint, it makes the industry- and product-based departments existing in name only; meanwhile economic operation relies more and more on the national macro-control policies. Therefore, the space of streamlining the functional departments in local governments is huge. Unfortunately, due to the drag of the traditional thoughts, some newly-set systems, such as Agricultural Development Bank of China, trying to set functional departments to the lowest level, to be specific, to the county level. The practice of setting functional departments to the lowest level not only swelled government agencies, making the local government finances to payroll finance, but also changed a number of local functional departments into defacto tools for regional protectionism.

Thirdly, conduct power centralization and decentralization to appropriate degree. Some powers, like local administrative power, need to be decentralized; some need to be centralized, such as the judicial and law enforcement systems which serve to implement national wills. The logic of reforms in China is beginning with and thoroughly full with power decentralization. However, in some fields, it is not the more the power is decentralized the better the effectiveness will be, but higher power centralization is needed usually. Powers in the judicial and law enforcement systems have to be centralized during economic decentralization and administrative devolution. Administrative power is more regionally, thus needs to be decentralized; while laws are more national, thus need to be centralized. Not only in China, a country of the unitary system, even in America, a typical federal country, both the judicial and law enforcement powers are centralized, being more national

than regional. The judicial system and environmental enforcement system should be reconstructed like the system of the People's Bank of China, and mature experience in other countries should be learned from.

4. Growth outside the system; the new relations between the state and the society

State originates from the society. State has to manage its affairs in and only in its domination, while the society has to retain its own independent space. Bound has to be set between the state and the society. However, before China launched the reform and opening up policy, the state involved the whole people into its political, economic, cultural and military systems through the systems of units, household registration, as well as of food and clothing coupon, which were typical means of the planned economy. At that time, the state submerged the society, individuals lost their basic freedom and creativity, and the whole country lost its vitality.

Since the reform and opening up, for the need of economic and social restructuring and state governance, the Party and the government have gradually and prudently withdrawn from fields that were once put under strict control, passed them on the autonomy of the civil society, and allowed groups with common interests to form associations. According to official statistics, in the recent decade, non-governmental organizations (mainly including social groups, non-governmental non-enterprise entities and foundations) have been developing rapidly, increasing from 184,000 in 1996 to 446,000 in 2010.

As new modern social organizations, non-governmental organizations keep active interactions with the government on the basis of maintaining

basic autonomy. But meanwhile, they are faced with the plight in aspects of law, human sources, funds, trust, knowledge and technologies, resulting in a weak position in the political procedure. Even though, when interest demands can't be met or achieved simply relying on individual power and resources, some citizens found associations to make use of the resources and means available to try to get involved in the political procedure so as to express their interest appeals. For example, in the process of reviewing the draft of the Postal Law of the People's Republic of China, a number of express companies in Shanghai where the private express industry is developed elected representatives to go to Beijing and ally many relevant departments. Of course, in the political procedure of China, whether the interest appeals of non-governmental organizations could be entered into the political system and whether they could be realized at a certain degree ultimately depend on the will of the government. Both the successful and unsuccessful cases show that the government still has an absolute advantage over the society, and the decision-making power is still in the hand of the state and the government. In addition, in local governance, some non-governmental organizations, especially those in the developed costal areas, play a role of gathering and expressing their members' interests well. In Wenzhou, chambers of commerce have intervened in the regionally governance of public affairs with their unique organizational advantage, and become a bottom-up organizational force different from national power, exerting significant impacts on social operation, even government decision-making and goals.

Compared with the emerging non-governmental organizations, the influence coming from the rise of the Internet on the Chinese politics

deserves more concern. Like most countries of the world, the social and economic restructuring and economic growth in China have motivated citizen participation in China, while economic growth and the increase of the citizens' needs for participation have pushed forward the systematic construction of the Chinese government. Different from developed countries and countries which have completed the transition earlier, the political and economic relations in China, which are similar to those in other countries, encounter with the Internet, a totally strange thing to other countries in their transition. The unprecedented technological revolution brings a major challenge for the development of the Chinese politics, as well as providing a new platform for citizen participation in China.

The emergence of the Internet provides a possibility for reconstructing of public domain. The force of public opinions on the web sometimes is extremely powerful, sufficient to make important changes to events and figures in order to highlight its great influence. The topics of cyber citizens' participate in the Internet focus on public policies, citizen rights, nationalism, personal interests and emotional catharsis, etc. The participation in public policies, citizen rights and nationalism related activities is a sort of ideal participation, which does not exclude venting resentment; participation for personal interests is a typical interest-oriented participation; while activities for pure emotional catharsis belongs to resentment vent-oriented participation.

The Internet has become a major public domain, even a new-type citizen society, which could be named society of cyber-citizens. However, the virtuality of the society of cyber citizens serves as an important premise for the cyber citizens' mass participation in politics.