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30 August 2006

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Economic Development and Political Liberalisation: An Inevitable Relationship? The Case of China

This dissertation is being submitted as partial fulfillment of the requirements for the Degree of MSc(Econ)
Summary

In this thesis I look at modernization theory and the relationship between economic development and political liberalization. I focus my analysis on China and I investigate a recent argument that seeks to explain why China’s economic development has yet to lead to democratization. This argument asserts that authoritarian regimes are able to suppress political opposition while promoting growth by controlling “coordination goods.” However when I investigated the control of Chinese Internet, I discovered that despite the Chinese Internet system being porous, Internet users maintain a sense of self-censorship and do not bypass the government established limits. By looking at Internet users’ demographics and their social environment I demonstrate the analysis suffers from deterministic rationalization and a tendency to explain rather than understand. Embedded in a structural explanation of political change, these types of analyses assume the identity and thus the behaviour of people. Even though they claim to explain the weakened link between economic and political liberalisation, they bring with them the fundamental assumptions of modernization, which amplifies the role of economic development at the expense of human action. At the end, their explanation only serves to strengthen the modernization theory as it only tries to give excuses to the delayed development of a democratic political system as stipulated by the deterministic character of modernization. As a result, instead of seeking to understand the underlying forces in play they only explain why X has not yet led to Y without contemplating the possibility of X leading Z and not Y. By exposing the blind spots of these analyses and exemplify their rigidity, I suggest that it is time to break away from conventional wisdom and start looking at other possibilities.
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I. Introduction

“Of all the alternatives facing China, the emergence of an electoral democracy in the next decade is the most likely” (Chen 1998, p.10) and “it is highly unlikely that Communist Party dictatorship and increasing socioeconomic pluralism can long co-exist” (Brzenziski 1998: p.4) were among the answers given by Chinese specialists on the political future of China in a special issue of the Journal of Democracy (1998: 9.1). Nevertheless almost a decade later, China still continues to defy what analysts have long regarded as an “established finding” (Burkhart and Lewis-Beck, 1994: 903): a linear positive relationship between economic development and democratization.

The relationship between economic development and political liberalisation leading to democracy has been the subject of extensive research and debate. Even though there is a long history in political thought, going as far back as Aristotle, supporting a positive relationship between the two variables, Lipset (1959) presented the first attempt to empirically test the relationship, which gave rise to modernization theory and the largest research topic in comparative politics. His argument that a linear causal relationship has been exists between economic development and democracy has been “supported and contested, revised and extended, buried and resuscitated” (Przeworski, 1997: 156).

Some scholars go as far as calling this relationship as one of the few, if any, “iron laws” in political sociology with economic development consistently emerging as a “statistically and substantially significant influence on democracy”. Notwithstanding its theoretical grounds and universal applicability have been contested, this hypothesis has not only endured but has acquired a notion of conventional wisdom. The fact that most of
the rich countries in the world are indeed democratic is presented as iron-clad evidence by its supporters (Bueno de Mesquita and Downs, 2005).

Nevertheless most countries suggests that not all countries have followed this much tooled causal path, and one of them, China, is the subject of this dissertation. Despite the huge steps China has taken in liberalising its economy, it has still to show any signs of political liberalisation pointing to democratization. The “reform and openness” policy (gaige kaifang) introduced by Deng Xiaoping in 1978 stirred China away from its centrally planned economy, an economic policy in accordance to China’s communist political system, and put it on a capitalist path. The success of this policy along with the determination of the Chinese leadership to press on with economic liberalisation has been evidenced in China’s recent accession into the World Trade Organisation and its, more than two decades, remarkable economic growth. Albeit, the belief held strongly in the West that China’s economic development will result in a democratic political system has yet to materialise. The Chinese Communist Party (CCP) has managed to introduce liberal economic policies and maintain rapid economic growth for over twenty-eight years without losing its political grip; a development that has led many analysts searching for an answer.

One of the most recent analyses explaining CCP’s ability to experience economic growth while still maintaining its political power has been put forth by Bueno de Mesquita and Downs (2005). Bueno de Mesquita and Downs (BDMD) have argued that the answer of the puzzle lies in autocratic regimes’ ability to restrict a certain set of public goods, what they call coordination goods, such as political freedom and freedom of information that are essential to the political organisation and coordination of political
opponents. On the other hand they allow those public goods, such as public education and transportation, which help promote economic growth. Thus, contrary to past tendency of oppressive regimes to suppress all types of goods and hinder their economies in the process, the BDMD argument highlights the increasing sophistication of oppressive governments in their ability to stimulate the economy but avoid the political consequences of economic growth.

Intrigued by this explanation I decided to examine the BDMD argument by concentrating on one coordination good, its political threat to China and China’s success in maintaining its political authority by controlling this good. I chose to investigate China’s policy on Internet censorship for mainly two reasons: First, the Internet has been the latest hope in a long list of factors pundits of democracy have put their hopes on for the fall of authoritative regimes and their replacement by democratic governments. Second, it presents a fascinating case since under the BDMD argument the Internet is not only a coordination good that can give rise to political opposition, but it also represents a public good that can foster economic growth. In fact, the Chinese authorities, recognising the economic potential of the Internet, decided to adopt it and actively promote its diffusion.

Technological advances have long been vested with the promise of thwarting authoritarian regimes. As proclaimed by Ronald Reagan in 1989 “Technology will make it increasingly difficult for the state to control the information its people receive.... the Goliath of totalitarianism will be brought down by the David of the microchip.” Internet has been the latest technological advancement democracy experts have argued will bring the end to authoritative governments. In their crusade for world democratisation, they
have argued that Internet is the last straw that will lead to dictators’ demise, because it recognizes no boundaries. Its pervasive characteristic undermines dictatorships as it facilitates the flow of information, allows for horizontal communication within society and undermines the political grip dictators have on the state. It thus provides real opportunities for democratization, especially in those societies where governments constrain freedom of speech (Abbott, 2001).

The CCP has embraced the Internet because it recognised its immense commercial potential. However, it has also recognised that an unregulated network could pose a threat to its political authority by shifting the power from the state to the citizens and “has taken care to prevent this commercial gold mine from becoming political quicksand” (Hachigian, 2001: 118). Following the BDMD argument, this dual form of the Internet as both an economic but also a political coordination good could really test China’s ability to steam economic growth while at the same time prevent political coordination. Hitherto, it has been successful. In fact, the initial optimism in literature of an Internet-led democratisation has lately been replaced by pessimism as analysts see how authoritarian regimes have not only been able to stymie an Internet-led political destabilisation, but also use its technology for their benefit.

China’s successful policy on galvanising the Internet’s economic potential while controlling its political effects seems to support the BDMD argument. Nevertheless, in this treatise I illustrate how this explanation is too simplistic. By examining why the Internet has failed to act as a catalyst for democracy, I demonstrate that on the surface we can indeed agree with the BDMD argument: the CCP has managed to rip the economic benefits of Internet commercialization whilst at the same time curtailing any political
coordination and thus successfully managing to maintain its authoritarian power. However, that argument serves us an explanation that inhibits our understanding of many facets of the Chinese society.

By unpacking the BDMD argument I demonstrate its blind spots and its failure to understand the deeper reasons the Internet-led democratic revolution has not taken place in China. As I will exemplify, the reason the Internet has yet to deliver its suggested political potential goes deeper than the censorship measures, which even though very strict can be bypassed. Indeed as presented here, the ability of Chinese leadership to control the Internet is contested. Many scholars point to the many ways people can evade Internet censorship and get the information the Chinese authorities don’t want them to see. In fact, CCP’s success in controlling the Internet lays mainly on self-censorship. In other words, even though people might have the opportunity to circumvent Internet control, they don’t take that step. The critical question then is: Why don’t people seek out the information the CCP is trying to keep away from them? Is it because they are afraid of taking the risk? But isn’t taking risks part of the fight of oppressed people demanding political freedom?

In this essay I focus on the social factor and examine why the Chinese society has not raised demands for political change. I argue that the analyses that explain China’s ability to reform and liberalise its economy without sacrificing political control by pointing to its ability to control and suppress political coordination goods suffer from two interrelated blind spots: their deterministic rationalization and tendency to explain rather than understand. Embedded in a structural explanation of political change, they assume the identity and thus the behaviour of people, which is reduced to material conditions.
Even though they claim to explain the weakened link between economic and political liberalisation, they bring with them the fundamental assumptions of modernization, which amplifies the role of economic development at the expense of human action. In fact, their explanation only serves to strengthen the modernization theory as it only tries to give excuses to the delayed development of a democratic political system as stipulated by the deterministic character of modernization. As a result, instead of seeking to understand the underlying forces in play they only explain why X has not yet led to Y without contemplating the possibility of X leading Z and not Y. The aim of this thesis is not to offer an alternative theory nor make future predictions. Rather it is to expose the blind spots of these analyses, exemplify their rigidity and suggest that it is time to break away from conventional wisdom and start looking at other possibilities.

**Structure**

In Chapter II of this essay I introduce the reader to modernization theory and the research debate that arose out of Lipset’s article that claimed the first empirical proof of a causal relationship between economic development and democratization. The literature surrounding modernization theory is based mainly on positivist analyses and thus many of the works presented here focus on methodological issues. Even though the literature is rather tedious, this chapter serves several purposes. It presents the origins and development of modernization theory throughout the last five decades and illustrates the determination of many scholars to prove the positive relationship between economic growth and political liberalisation. Furthermore, it demonstrates that even though modernization theory has acquired the notion of conventional wisdom, other theories
have challenged and criticised its ahistorical and structural foundations. In this chapter I also introduce the literature which examines the relationship of mass communication and democracy and the latest Internet-led democracy arguments.

In Chapter III, I start to explore the case of China by first giving a brief historical background of its economical and ideological changes since the late 1970s. I then take a close look at the situation of Internet censorship in China, before I move on to Chapter IV where I start investigating why the Internet has not fulfilled its role as a catalyst for democratisation. I first try to reach an explanation by using the BDMD argument but when that does not provide an adequate explanation I start to unpack it by asking a series of questions. The rest of the essay represents the research process I went through in unravelling the blind spots of the BDMD argument. In the concluding remarks I bring all the points together and demonstrate why the BDMD argument and the modernization theory is imbedded in fail to give an adequate explanation to China’s lack of democratisation so far.

Remarks

I would like to note that in this essay I use the terms Chinese authorities, government, state and Communist Party (CCP) interchangeably. As it is common with communist political systems, the CCP represents the only political party and controls all the government and state affairs and as such it is the ultimate political authority in China.

II. Economic Development and Democracy: Modernization Theory

The main assumption of modernization theory is the existence of one general process of development with a causal chain that leads to only one final stage:
democratisation. A sequence of industrialisation, urbanisation, education, communication, mobilisation and political incorporation leads to social changes that terminate in democratisation (Przeworski, 1997). The modernity process is associated with the process of change of Britain, the US and Western Europe during the nineteenth century and assumes that modern society is a product of capitalism (Grugel, 2002). The argument follows that economic growth becomes a democratic change as it produces an educated and entrepreneurial middle class which sooner or later demands the political benefits of democracy (Bueno de Mesquita and Downs, 2005; Burkhard and Lewis-Beck, 1994).

Lipset agreed with Weber’s suggestion that “modern democracy in its clearest forms can only occur under the unique conditions of capitalist industrialization” (Weber quoted in Lipset, 1959: 73). For Lipset, capitalism is a causal factor for democracy because it produces wealth and leads to mass consumption, an educated middle class and numerous cultural changes which are favourable to democracy (Grugel, 2002). He argued that diminished class conflict is an important link between economic growth and democracy. More specifically, as the lower strata moves up by gaining increased economic security and higher education it develops a more gradualist view of politics and reduces its commitment to given ideologies; especially extremist ones.

“Increased wealth is not only related causally to the development of democracy by changing the social conditions of the works, but it also affects the political role of the middle class through changing the shape of the stratification structure so that it shifts from an elongated pyramid with a large lower-class base, to a diamond with a growing middle class. A large middle class plays a mitigating role in moderating conflict since it is able to reward moderate and democratic parties and penalize extremist groups” (Lipset 1959: 78).
Lipset referred to Aristotle to illustrate the long tradition of arguments exemplifying the relationship between democracy and economic development, which as he argues is perhaps the most prevalent generalization that connects political systems with other aspects of society. “From Aristotle down to the present, men have argued that only in a wealthy society in which relatively few citizens lived in real poverty could a situation exist in which the mass of the population could intelligently participate in politics” (Lipset, 1959: 75). Notwithstanding the long history of this political thought, Lipset was the first to put the relationship to an empirical test in his seminal essay “Some Social Requisites of Democracy: Economic Development and Political Legitimacy.” The lively debate that sprang from his work is centred on methodological variations, and although many of the scholars agree on the positive relationship between economic and democratic development, they disagree on the form of the relationship and the definition of democracy. Nonetheless, there are scholars who challenge this well established notion of history repeating itself through the modernization theory.


Lipset set out to test his hypothesis of socioeconomic development and political democracy by comparing the mean values of several economic development indicators among democratic and undemocratic countries. For Lipset democracy “is defined as a political system which supplies regular constitutional opportunities for changing the governing officials” (Lipset, 1959: 71). He explicitly stated his study was not examining the political histories of individual countries, as the social content of democracy in the different countries was not regarded as the real problem of his essay.
Lipset alluded to a Middle East study to suggest his argument had a cross-cultural validity. The study performed by the Columbia University Bureau of Applied Social Research on the Middle East (reported in Lerner, 1958), surveyed six Middle Eastern countries and showed high associations between urbanization, literacy, voting rates, media consumption and education. Lerner’s view of modernization as a sequential process of historical phases leading to democracy was regarded as an important theoretical contribution by Lipset. Nevertheless, Lipset argued that Lerner did not have the adequate data to support his thesis and hence offered the material in his own essay as an opportunity for empirical research along the same lines.

Lipset used a number of indicators for wealth, industrialization, education and urbanization, which he called the economic development complex, and investigated their consequences for democracy by presenting their statistical means for four groups of countries: European and English-speaking stable democracies, European and English-speaking unstable democracies and dictatorships, Latin American democracies and unstable dictatorships and Latin American stable dictatorships. For example, for the wealth indicator he used per capita income, number of persons per vehicle and per physician and the number of radios, telephones and newspapers per one thousand people. His findings indicated 17 persons for each vehicle in the European and English-speaking democratic countries in comparison to 143 in less democratic countries in the same area. In Latin America the numbers were 99 and 274 respectively. Similar comparisons in favour of the democratic countries were found for all the indicators of wealth, industrialization, education and urbanization between democratic and non-democratic nations, which led him to his conclusion:
“the average wealth, degree of industrialization and urbanization, and level of education is much higher for the more democratic countries” (Lipset, 1959: 75).

Although he did not express it clearly, it seems from his discussion that the relationship he was postulating between levels of economic and democratic development was a positive linear relationship. Furthermore, even though he presented the various indices separately he argued that they all formed one common factor:

“...it seems clear that the factors of industrialization, urbanization, wealth and education are so closely interrelated as to form one common factor. And the factors subsumed under economic development carry with it the political correlate of democracy” (Lipset, 1959: 80).

Two important conclusions can be drawn from Lipset’s analysis: a) his theory on a linear relationship between capitalism and democracy is essentially functionalist, economistic and predictive (Grugel, 2002), and b) democracy is an outcome of economic growth and for those societies that become part of the global economic structure and “replicate the original transition” to capitalism (Roxborough, 1979 as quoted in Grugel, 2002: 47) democracy is the final outcome.

The Ensuining Debate

Although Cutright (1963) provided empirical support for Lipset’s argument, he was highly critical of Lipset’s methodology. According to Cutright, Lipset simply demonstrated that there were some major socioeconomic differences between democratic and non-democratic nations but without telling us the strength of association between the variables. Cutright pointed to a particularly puzzling factor in Lipset’s methodology: it was impossible to categorise a nation as democratic or not based on its score, because of the extreme spread in the ranges of scores in each indicator. For example, the range for
telephones in European and English-speaking democracies was from 43 to 400 per 1,000 people while for dictatorships it was from 7 to 196. From this we can easily see Cutright’s argument: a nation with 43 to 196 telephones per 1,000 people can be in either category.

Cutright attempted to refine Lipset’s methodology and broaden the theoretical scope of the findings by using a more sophisticated measure for democratic development and a more detailed statistical analysis of continuous data (Jackman, 1973). By defining a politically developed country as one with “more complex and specialized national political institutions than a less political developed nation” (Cutright, 1963: 255), he developed an index where each nation was placed on a continuum based on its political development. Subsequently, this index was correlated with a number of indicators of socioeconomic development arriving at a high degree of association between political development and the independent variables, which supported Lipset’s thesis of a linear positive relationship between economic and political development.

Cutright’s analysis ignited even more controversy on methodological issues. Neubauer (1967) criticised Cutright’s political development index, which he asserted equated democratic development with political complexity and stability and the insensitivity of the independent variables between countries, especially at higher levels of democratic development (Jackman, 1973). Using a more sophisticated measure of democratic development and focusing on more democratic countries he concluded that democratic development was a threshold phenomenon.

“Certain levels of ‘basic’ socio-economic development appear to be necessary to elevate countries to a level at which they can begin to support complex, nation-wide
patterns of political interaction, one of which maybe democracy. Once above this threshold, however, the degree to which a country will ‘maximize’ certain forms of democratic practice is no longer a function of continued socio-economic development” (Neubauer, 1967: 1007).

Neubauer also suggested the world is not as deterministic as the modernization theory wants it to be and hence it is wise to take into consideration the factor of choice. In fact he argued that “countries and their leaders are free to choose from a variety of alternatives concerning their form of political organization” (Neubauer, 1967: 1008) and he offered the case of Communist countries as an example: they have obtained the socio-economic development Lipset and Cutright refers to but have chosen a different type of institutional structure than liberal democracy. Neubauer’s remark that “the nature and extent of democratic practices in many countries appear to be less a function of their state of social and economic development than of certain values embedded in their political culture” (Neubauer, 1967: 1008) and his urge to scholars to “go beyond consideration of those (socio-economic) factors which are at best threshold conditions” (Neubauer, 1967: 1009) represent a refreshing note in the monotonous literature of modernization theory.

Smith (1969) recognised the technical advantage of Cutright’s study, but he was dissatisfied with its ability to empirically measure degrees of democracy. By adding a new technique, Smith replicated Cutright’s research design and applied it to a larger number of audiences. His objective was not to present a new theory but rather an empirical analysis of previously developed theories. He alluded to the limitations of conceptual models and statistical techniques and the generalizations made from methods using standardised measures of association. He argued that “such generalizations can
have validity only for the specific populations and sample times of the data base” (Smith, 1969: 123), and he instead suggested the usage of standardised measures for the deduction of causal laws of social and political interaction.

Jackman (1973) recognised the advantage of Neubauer’s refined measure of democratic development, but he pointed out to Neubauer’s data limitation as a result of his focus on wealthier countries. By using a similar measure of democracy and energy consumption as a measure of economic development he tested the linear and threshold hypotheses. Even though data from his analysis were much more consistent with Neubauer’s argument for a threshold effect than those of a linear relationship suggested by Lipset and Cutright, he cautioned that the difference between the two was so marginal that “it is difficult to justify empirically the interpretation that democratic performance declines at the highest levels of economic growth” (Jackman, 1973: 621).

Two studies that came out in 1998 presented a major attack on modernization theory. Gonick and Rosh argued that “economic development…is not the most important factor affecting the degree to which a political system can be characterized as a ‘liberal democracy’…our application has allowed us to reject the findings of Lipset” (Gonick and Rosh, 1988 quoted in Burkhart and Lewis-Beck, 1994: 903). Arat (1988) was also highly critical of the modernization theory. His longitudinal analysis showed widely varied relationships between levels of socioeconomic development and democracy, which led him to conclude: “only a few countries fit the models suggested by modernization theory… it can be concluded that increasing levels of economic development do not necessarily lead to higher levels of democracy, even for less developed countries” (Arat, 1988: 30).
Arat argued that democracy was not a one way ladder countries climb as their socio-economic conditions develop. He pointed out that developing countries displayed much more complex patterns than a linear relationship and countries in the middle of the development continuum experienced higher levels of instability on the democracy scale. Most importantly, Arat drew attention to scholars’ neglect to take into consideration an important observation in Lipset’s study: his argument that economic development is a necessary, but not sufficient condition for democratic development. By neglecting this important point, analysts have not paid adequate attention on finding the other conditions of democracy.

As a response to the studies challenging modernization theory, Burkhart and Lewis-Beck offered “hard evidence” in order to re-establish what they considered to be an “established finding” (Burkhart and Lewis-Beck, 1994: 903). Nevertheless, they recognized that previous studies proving the relationship had several methodological and data limitations. By using a democracy index based on political rights and civil liberties they assembled country annual observations for seventeen years and thus incorporated an over-time as well as cross-nation analysis of democratic variation. They concluded that “economic development substantially improves a nation’s democratic prospects…the full magnitude of that effect depends on the location of the nation in the world system…even at the periphery, however, the effect remains statistically and substantively significant” (Burkhart and Lewis-Beck, 1944: 907).

A more recent argument has been presented by Lefwich who suggested that in the long term economic development would inevitably lead to democracy and urged the West to support only those “…dedicated and determined developmental elites which are
seriously bent on promoting economic growth *whether democratic or not*. For by helping them to raise the level of economic development it will help them also to establish or consolidate the real internal conditions for lasting democracy” (Leftwich, 1996: 329).

Diamond’s (1996) work has been an effort to update the modernization theory by emphasising the role of political culture, civil society and civil freedoms in the development of democracy. However, he has been criticised that his “new version of modernization theory is just as profoundly embedded in Western policy-making circles… not surprisingly, the, modernization remains the vision behind a number of democracy-promoting initiatives…retains vitality and influence through its ability to identify the apparent link between capitalism and democracy” (Grugel, 2002: 51).

Even though it is not possible to present more than just the main works that arose in response to Lipset’s analysis, it is clear that the debate is centred on methodological issues and statistical analysis. The work surrounding modernization theory very cut and dry. Essay after essay takes the reader through tedious series of data in an effort to prove a positive causal relationship between socio-economic development and democracy.

Alas, some more interesting work is present next.

**Beyond Modernization Theory**

Modernization theory rose out of the attempt to “theorize the fact that democracies have emerged in the modern world under capitalism” (Grugel, 2002: 48).
The result was the development of a dominant cannon claiming democracy would “naturally emerge after a society had undergone necessary economic and social transformations” (Przeworski et al, 2000: 3). Modernization theory paraded democracy as an unavoidable result of development and thus warned that dictatorships generating development would cause their own self-destruction.

Nonetheless, an important number of scholars did not agree with the ahistorical and structural explanation of modernization theory. Lipset’s followers assume history repeats itself, but this notion has been contested by scholars such as Moore and O’Donnell. These analysts used comparative historical studies, focused on the intensive analysis of a few cases (Huber et al, 1993), had an interest in explaining rather than predicting and looked for factors that were distinctive to specific cases (Grugel, 2002). Moore’s *The Social Origins of Dictatorship and Democracy* is a renowned example of studies focusing on historical sociology. Moore argued that the Western European path to democracy was a unique process: “the route that ended up in capitalist democracy…was itself a part of history that almost certainly will not be repeated” (1966: 5). His comparative study on eight countries and their path to modernity during the twentieth century stressed the importance of the role played by middle class and urban bourgeoisie in the transformation of political systems into democracies (Arat, 1988).

Moore’s work also pointed to the timing of development as being an important factor on a country’s political development. He compared the imperative role played by an independent entrepreneurial class in the European industrialization process with the state initiated economic developments in developing countries; he called the latter “revolution of above” (Collier, 1975). Moore agreed with Marx’s thesis that an
indispensable element in the growth of parliamentary democracy is an independent class of town dwellers: “No bourgeois, no democracy” (Moore, 1966: 418). On the other hand, when the state plays a large role in the industrialization process democratic development tends to be inhibited. This was echoed in a study by Bollen who argued “the greater the state’s control of the economy, the lower the level of democracy” (Bollen, 1979: 572). Bollen also drew attention to culture and agreed with Weber () on the importance the protestant-based culture played in the development of western democracies.

O’Donnell (1973) challenged Lipset’s thesis on both empirical and theoretical grounds by focusing on the role of actors and their strategies instead on the deterministic conditions of modernization theory. He called for the end of the debate by stating that it was no longer necessary to present tedious series of data to “demonstrate that socio-economic development does not foster democracy and/or political stability” (O’ Donnell, 1973: 170). He is among those scholars who accuse modernization theory of exaggerating the role of the capitalistic structure at the expense of human action since the behaviour of people is assumed and treated as an epiphenomenon that is reduced to material conditions (Schmitz and Sell as summarised by Grugel, 2002).

In response to the modernization theory, the transition, or agency approach, puts the actors back into the centre of attention pointing to their conscious and committed actions along with a degree of luck and willingness to compromise as the main means of transition to democracy. As one the influential supporters of this thesis, Przeworski, says:

“The emergence of democracy is not a by-product of economic development. Democracy is or is not established by political actors pursuing their goals, and it can be initiated at any level of development” (Przeworski, 1997: 177).

Przeworski alludes to relationship between development levels and democracy but he adds:
“What remains controversial, however, is the relative importance of the level of development as compared to other factors, such as the political legacy of a country, its past history, its social structure, its cultural traditions, the specific institutional framework, and, last but not least, the international political climate” (Przeworski et al, 2000: 21).

Although there has been quite a substantive literature challenging modernization and presenting alternative theories, it still maintains its notion of conventional wisdom notion. The promise of Internet-led democratization builds on the premises on modernization theory.

The Communication Factor and Internet-led democratisation

“There is a peculiarly intimate relationship between the political process and the communications process” (Pye, 1963: 6).

Implicit in the relationship between communications and politics is the notion that information is power: based on the information distributed by communication media, society forms a public opinion which influences the course of government (Schramm, 1971). A lot of the studies on modernization theory include communications as an important factor in the socio-economic development that leads to democratisation. In fact, Cutright found that the communication index was the variable most closely associated with democratic development: “The most striking thing…is the steady increase in the level of political development as the level of communication development increases” (Cutright, 1963: 257).

Lerner, in his study of Middle Eastern countries, suggested that media growth was a vital factor for democratic development. Other scholars, such as Deutch (1964) and Pye (1966) pointed to the importance of an integrative system of mass communications for the production of the social cohesion that is necessary for the reinforcement of a
democratic institutional framework. As Pye puts it: “to a remarkable degree the difference between private and public affairs is determined by the extend to which acts of individuals are either amplified or ignored by the communication process. Without a network capable of enlarging and magnifying the words and choices of individuals there could be no politics capable of spanning a nation… the communication process informs the members of a community about the extend to which they can and should legitimately question the motives the intentions of those initiating political actions” (Pye 1966: 154).

However, Schramm warns us that “efficient communication works as well for a dictator as for a democrat – probably better, in fact, for the dictator because he is more likely to seize a monopoly over communication” (Schramm, 1963: 55). Authoritarian rulers try to shape the minds of those they govern by controlling the communication media (Schramm, 1971) and instigating a propaganda campaign. In similar fashion, Lynch uses the term “thought work” to refer to the “struggle to control communications flows and thus the “structuration” of the symbolic environment from which people derive their worldviews, values and action strategies…If a state can control society’s communications process, it can structure the symbolic environment in such a way that citizens will be more likely to accept that state’s political order as legitimate” (Lynch 2003: 2).

When the Internet started spreading around the world it was immediately vested with the role of a “Trojan horse” being used by “activists and campaigners in authoritarian regimes to effect political change and reform” (Abbott, 2001: 100). Many scholars argued that totalitarian regimes were being threatened by this new information technology, because they were unable to control and manipulate it as they did with
conventional media (Perrit, 1998). This argument was based on the technological design of the Internet, which analysts thought could not be subjected to a centralised control. The Web spanned the world, connected people by defying geographical boundaries and political orders and hence had a “great subversive potential,” (Taubman, 1998: 259).

As such, this new communication medium could escape the control of authoritarian governments and erode their grip on freedom of information and thought control. As an open medium, which facilitates the free and instantaneous exchange of news and opinions while providing anonymity to its users, the Internet was particularly useful in the fight against authoritarian rule. Unable to keep their people from gaining access to unfiltered information, authoritarian governments would lose the battle of information control and people’s exposure to forbidden information would galvanise grass-roots opposition and challenge the political establishment (Kalathil, 2001). At last, the democracy advocates had a weapon they could use against authoritarian regimes around the world.

Nevertheless, Internet activists soon discovered that this was a two-sided war. The authoritarian regimes, which the Net was supposed to topple, got their hands on the Internet and not only were they able to censor it like other communication media, but also use it for their own benefit. Oppressive governments are today using sophisticated censorship instruments to stay one step ahead of online dissidents. Despite Internet’s bounder-less heralded characteristic, it turns out there is a way to block the free flow of information on the Internet superhighway that spans the world. The Internet-led democratization movement was hit with a blow.
III. China: The defiant case

An Economic Phenomenon

China’s economic growth for the last three decades has been outstanding: a tenfold increase in GDP, a massive reduction of poverty, and a new acquired status of a global economic force. The most populated country in the world has managed to radically shift its economic model from command-control to market-driven and transform its low-quality production exports to sophisticated high-technology goods (Hale et al, 2003). The country’s entry into the World Trade Organisation (WTO) in December 2001 not only signalled its acceptance into the world economy, but also China’s emerging role as a global economic power. All these notable economic results have been the result of the “reformed and openness” policy (gaige kaifang) introduced by Deng Xiaoping in 1978. The centrally-planned economy was supplemented by a combination of market mechanisms while and at the same time the Chinese economy was opened up to the outside world in order to encourage expanded trade and lure in foreign direct investment (FDI) (Joseph, 2001). In fact, China has become United States’ biggest competitor in attracting FDI.

The economic reform brought along a change in ideology. Instead of fostering continual class struggle, which was the case during the Maoist era, the CCP was now promoting economic modernization (Harding, 1998). Under the rubric of “socialism with Chinese characteristics” Deng managed to bypass the ideological barriers of his commercialisation plan by arguing that the market is merely an economic development mechanism and does not determine if a system is capitalist or socialist (Zhao, 1998). Moreover in order to promote his plan, he gave “Xiaokang,” a term from a classical
poetry book that represents ideal society as one that provides well for all its citizens, an economic dimension (Hale et al, 2003). Despite the rhetoric for a socialist market economy, he openly endorsed a liberalised market economy.

Even though Deng was the major actor in the decision to open up China’s economy to the world, the country’s recent accession to the WTO signals the leadership’s determination for increased openness. Similarly to Deng, the current leadership has the ability to introduce economic reforms because it enjoys political dominance over the government. In fact, China today is one of the few remaining communist states and as with all communist political systems, the CCP has ultimate authority in the governance of the country. Moreover, it is not formally accountable to its citizens since its officials do not have to stand for elections (Shirk, 1994).

A lot of scholars have doubted China’s ability to maintain its economic growth without an analogous political reform: “Further efforts to resist political change will only squander the benefits of social and economic dynamism” (Gilboy et al, 2001). Nevertheless, China continues to enjoy an annual average GDP growth of 10% and has the second-largest economy in the world after the US. Even more surprisingly, it now exports more information technology that the US whilst its trade surplus with the United States has been grown exponentially. Furthermore, and crucial for the purpose of this study, China has defied modernization theory: it has experienced one of the fastest economic developments in the world for almost three decades, but has not even come close to political liberalisation.

The Internet Factor
Economic Allure and Political Threat

When China was faced with the choice of boarding the Internet superhighway or closing its doors to the commercial phenomenon of the late twentieth century, it jumped on the opportunity to seize the Internet’s lucrative prospective. Realising the immense economic potential of e-commerce, the CCP embraced the World Wide Web as another opportunity to galvanise the country’s economy. Based on the new party ideology of economic modernization, the leadership could not turn away from the information revolution despite its reputation as a revolutionary medium. Judging from developments so far, it seems like it was the right decision.

The Chinese economy has been largely fuelled by massive amounts of FDI pouring into state-owned and private firms all over the country. For more than a decade China has been the second largest recipient of FDI in the world and has attracted more FDI than any other developing country since 1993 (Gallagher, 2002). China’s leaders realised early on the potential of the Internet to draw even more foreign capital and bring along technological advances. Hachigan (2001) offers a very good summary of the allure the Internet presented to the CCP: by looking at the impact on the American, European and other Asia economies the CCP leaders realised the Internet’s promise as the best economic model for the future and as more and more international companies were adopting an online supply platform, China would risk being left out of the global competitive market if it not introduced analogous web-based systems.

Even though the first electronic mail from China was sent as early as 1987, the Internet was not given much attention until the mid-1990s when China started catching up with the high-tech domain (Zhao 1998, Qiu 2003). Although the Internet in China
took off later than in most developed countries, it has been developing in leaps and bounds growing from less than 40,000 Internet users in 1995 to 153 million in June 2006\(^1\). While analysts argue that official Chinese statistics are usually exaggerated, there is no question Internet in China has been growing in tremendous pace. Despite assessments from analysts such as Milner (2003) arguing that authoritarian regimes are less inclined to foster Internet development than democratic ones, the Chinese government has been promoting its development. Convinced on the Internet’s indispensable role for the country’s economic modernization, government authorities have been actively encouraging its diffusion. The “Government On-line” and “Enterprise One-line” were initiatives adopted to ensure most of government as well as state-owned and private businesses had a web presence. Furthermore, the Ministry of Information Industry (MII), China’s network regulator, keeps pushing the major telecom provider for lower access charges while new fibre-optic lines are constantly added. H-tech firms are offered tax-breaks and Internet start-ups enjoy low-cost homes at government-funded technology parks (Hachigian, 2001: 119-121).

Along with welcoming its economic benefits, however, the CCP had to fight the wide-spread political threats attached to this new medium. As mentioned in the introduction, many analysts argue that the very nature of Internet dooms authoritarian regimes. Scholars, such as Kedzie (1997), have argued that the Internet posses a “dictator’s dilemma” for authoritarian governments that have to chose between connecting to the Internet and as a consequence democratise or keep the information revolution out of their country. As summarised by McCormick and Liu the arguments along this line stipulate that the Chinese government “can either tolerate the Internet, in

\(^1\) As reported by latest statistics on China Internet Network Information Centre [http://www.cn nic.net.cn](http://www.cn nic.net.cn).
which case it will be undermined by the free flow of information, or it can ban or restrict its development, in which case the People’s Republic will remain technologically backward and become economically stagnant” (McCormick and Liu, 2003: 142). However, China has been successful in neutralising the Net as a political opposition medium while capitalising on its economic benefits: “…despite the technology’s liberalizing potential, its high speed of growth can be maintained within the framework of the current political system dominated by CCP… yet it develops so rapidly, regardless of the political factors many believe would handicap the nation’s Internet industry from its inception” (Qiu, 2003: 10).

As Kathil (2001) points out, embracing the Internet revolution has not only helped China modernise its economy and compete in the global economic sphere but has also proven useful in helping the CCP to govern more effectively. By developing an ambitious e-government plan, ministries have eliminated layers of middlemen and the corruption which usually plagues them. The ability to streamline the government via web methods has also helped the government augment its central authority and better control the provinces. Furthermore, the officials have been using the Internet revolution to enrich the state and themselves. Even though regulators are supposed to be separated from those they regulate, many government entities invest in the information technology sector and private companies “seek government partnerships because they provide political cover and make it easier to pry capital from state-owned banks (Hachigian, 2001: 121).

As far as the CCP leadership is concerned, it seems to have taken the right decision: Internet is flourishing, the information technology sector has been growing with an impressive rate, and money is pouring into the state’s vault. Internet revolution in
China has brought economic benefits but no destabilising political demands. Boas (2005) regards China as one of the most prominent examples of an authoritarian government’s ability to promote Internet development while simultaneously establishing an effective control over it by technological and institutional means. The next section looks closer at the steps taken by the CCP to neutralise the political threats of Internet usage.

Neutralising the Web threat

The stark contrast between the laissez-faire vision of the Internet promoted by advanced democracies and the more conservative hands-on approach of authoritarian regimes was made very clear at the December 2003 World Summit on the Information Society in Geneva. Saudi Arabia argued that the moral, religious and social values of all societies should be taken into consideration in the development of the information society while China strongly opposed a statement of support for the principles of free speech enshrined in the Universal Declaration of Human Rights (Boas, 2005). Although China’s objections were disregarded, this did not deterred it from continuing with its elaborate system of domestic Internet control.

In China the Internet falls within the media control system, which is guarded by Leninist ideology and the belief that “the media must serve both for the politics and for the party” (Wu, 2005: 216); a Marxist element which has served as a central part to CCP’s media governing and control (Zhao, 1998; Qui, 2003; Wu, 2005). The almost unlimited legal discretion vested upon the Chinese government allows it to take any measures it deems necessary to retain Internet control while promoting its market-based diffusion. Although it is difficult to know the exact extend of its censorship regime, as
China does not openly share such information, the evidence shows that an overlapping multilayer of control has been employed to control the majority of user access (Boas, 2005).

Four mechanisms have been the main pillars of Internet control in China: architecture, law, self-censorship and market controls (Boas, 2005). While architecture depends on technological characteristics, the successful implementation of the other three mechanisms depends on human behaviour. Boas reminds us of the initial controversy surrounding the early scholarship of Internet control. Sceptics then pointed to the inability of governments to regulate the Internet as its technological designed resisted centralised control. However, what the sceptics failed to take into consideration was the capacity of the Internet to evolve and adapt, and hence the opportunity for authoritarian regimes to adopt its technology to fit their purposes.

One of the most common technological methods employed for Internet control is the blocking of specific websites. This took effect in China in September 1998 when government authorities blocked as much as one hundred websites, such as the Wall Street Journal, Washington Post and CNN (Zhao, 1998). China has the ability to do this because it controls the physical Internet infrastructure, namely the cables that connect the domestic Chinese network to the outside world. Hemming (2002) calls this the virtual “Red Firewall” that China has constructed in order to keep subversive material outside its gates. The one hundred web pages block of 1998 have grown to more than 500,000 and includes the sites of human rights groups, spiritual movements and foreign news organisations such as the BBC (Hemming, 2002). This has been possible through the introduction of a more sophisticated system in September 2002, which blocks pages
based on keywords they contain, such as “democracy,” “human rights” and “freedom” (Boas, 2005).

Both the Internet and Intranet are completely controlled by the Chinese state and government approval is needed before anyone is allowed to set-up or use a network (Abbott, 2001). While the government has been promoting the development of Internet Service Providers (ISPs) that provide end-users with Internet access, it can still maintain control of Internet use by channelling connectivity through a small number of interconnected networks that are tied to either the government or state-owned companies. Even though the number of interconnecting networks has grown, the Ministry of Information Industries has licensed only those that can be under effective state control (Boas, 2001; Clark and Harwit, 2001). Through this network set-up, the authorities can implement policies such as the Computer Information Network and Internet Security Protection and Management Regulations passed in December 1997, which requires ISPs to provide the China Internet Network Information Centre with users’ personal information.

Hemming (2002) reports that at least 60 laws covering Internet control have been passed since Chinese authorities started allowing commercial Internet accounts in 1995. Among others, individuals have to register with their neighbourhood police bureau within thirty days of opening an online account. Internet users have to follow “…onerous registration procedures, including providing detailed personal and employment information, agreeing to sign a pledge not to access information that threatens state security” as well as “register with the police for the intent to surf” (Abbott, 2001: 102). In regulations published in September 2000, the State Bureau of Secrecy Regulations
ordered all websites to undergo security checks and made the online transmission of “state secrets” a criminal offence (Abbott, 2001; Hachigian, 2001). A month later more regulations were issued “prohibiting content that subverts state power, disturbs social order, undermines reunification efforts with Taiwan, spreads rumours, preaches the teachings of evil cults, distributes salacious materials, dispenses pornography, slanders others, or harms the honour of China” (Hachigian, 2001: 123-124). Online media companies are not allowed to generate or re-publish news unless they have special licences. China’s online media system is divided between the state-owned news websites and the privately owned commercial media (Wu, 2005). In the Provisional Regulations on Governance of Internet-based News Providers published in November 2000, only the state-owned media were granted the right of producing and distributing news whereas the commercial online media were stripped of any right to produce their own news and were only allowed to republish stories from official sources (Hachigian, 2001; Wu, 2005).

Nevertheless, commercial websites have capitalised heavily on the authorities’ looser policy on “soft” news. So when it comes to sports and entertainment, they act as typical news media and produce their own news stories. Even thought this clearly circumvents the Provisional Regulations rules, no punishments have occurred (Wu, 2005). However, when it comes to “hard” news, which includes anything that has to do with sensitive political news or foreign policy news, the government “has no humour about its seriousness” (Wu, 2005: 233) and as a web developer said “there are some issues the government has no sense of humour about and we just stay away from those” (Hachigian, 2001: 124). Through legal influence over intermediaries, authorities have managed to implement an indirect control and force business such as ISPs, online content
media and Internet cafes to implement a good business practice as all these laws make them responsible for their online content; the threat of sanctions has forced them to implement their own technologies for Internet control (Boas, 2005).

Regulations introduced in October 2000 require ISPs and Internet Content Providers (ICPs) to keep logs of their Internet traffic for 60 days and deliver the information to the authorities if requested (Clark and Harwit, 2001; Hachigian, 2001). Many Internet cafes have installed blocking software that limit what users can view as well. Other technologies that allow public security bureaus to track user records and postings on chat rooms have also been installed (Boas, 2005). Overall, “the authorities work to maintain an atmosphere of surveillance and implicit and explicit threats where those who work in the media will censor themselves rather than risk incurring unwanted official attention and punitive sanctions” (McCormick and Liu, 2003: 145). Indeed the threat of sanctions, occasional large-scale crackdowns on Internet cafés and arrests of online dissidents have been successful in installing a sense of fear, which has promoted a self-censorship norm. In fact, “the self-censorship that the regime promotes among individuals and domestic Internet content providers is the primary way officials control what Chinese viewers see” (Hachigian, 2001: 123).

In building its control architecture, China solicited the help of Western companies which were happy to help since that gave them a foot in the door of the biggest consumer market in the world. Multinationals such as Microsoft, Yahoo and Google have helped the Chinese government with filtering technologies. In fact, “The sophisticated technology that allows the government to block and filter Internet content is primarily designed by foreign companies” (Sheffield, 2006). Western firms are happy to comply
with Chinese regulations or even help the Chinese authorities by providing technologies that inhibit access to information and facilitate user surveillance in order to gain access to Chinese markets; after all they are more committed to profits than civil liberties and calls by human-rights activists for freedom of information (McCormick and Liu, 2003).

Sheffield (2006) provides a very good picture of how three of the biggest American online technology companies have cooperated with Chinese authorities: In 2002, Yahoo! signed the “Public Pledge on Self-Discipline for the China Internet Industry,” which among other requires Yahoo! to “refrain from producing, posting or disseminating harmful information that may jeopardize state security and disrupt social stability.” In addition, what Sheffield calls even more disturbing, Yahoo! helped in the arrest and imprisonment of two journalists by revealing their identities to the authorities. Despite its “Don’t be evil” motto, Google has recently launched a Chinese version of its search engine; essentially a self-censoring version of its original website. Microsoft restricts users of MSN spaces from using certain terms, and in December 2005, following a request from Chinese authorities it shut down the blog of an active critic of censorship in China. The surprising fact, however, is that the blog was hosted on servers located in the US so essentially Microsoft was not only helping the Chinese authorities censor political material in China but also all over the world. Yahoo!, Google and Microsoft have been severely criticised by Amnesty International for complying with the Chinese government attempts to censor the Internet, but the economic leverage of China’s market has gained foreign companies over.

Again we are warned about China’s ability to harness the full economic benefits of the Internet unless it loosens up its political control: “…victory over cyberspace cannot
be decisive, because the Internet cannot deliver its full commercial benefits under strict political control” (Hachigian, 2001).

IV. Revisiting Modernization Theory

China’s ability to sustain a remarkable economic development for almost three decades without replacing its authoritative regime with a democratically elected government has puzzled many analysts. China’s case challenges the positive linear relationship between economic theory and democratisation as stipulated by modernization theory. Conventional wisdom holds that political liberalisation trails economic growth with only a small lag of time, and clearly the CCP has hold on to its political grip for much longer than expected.

The Concept of Strategic Coordination

Several scholars have tried to explain China’s ability to defy modernization and one of the most recent explanations appeared in the Foreign Affairs journal in Autumn 2005. In an essay called “Development and Democracy” Bruce Bueno de Mesquita and George W. Downs (BDMD) put forth a very compelling argument which is based on the concept of strategic coordination. Strategic coordination “refers to the set of activities that people must engage in to win political power in a given situation” and it “helps explain how some autocrats have managed to break or weaken the link between economic development and democratization” (Bueno de Mesquita and Downs, 2005: 81).

BDMD argue that

“Gradually through trial and error, oppressive regimes have discovered that they can suppress opposition activity without totally undermining economic growth by carefully rationing a particular subset of public goods – goods that are critical to
political coordination but less important for economic cooperation” (Bueno de Mesquita and Downs, 2005: 81).

The catch is that autocrats must control what BDMD call “coordination goods,” which are those public goods that allow political opponents to coordinate while providing the public with those public goods that foster economic development. This way authoritarian regimes allow the country to have economic progress but prevent any political demands from rising.

The authors present China’s Internet restrictions as an example of this strategy. Intrigued by their argument I decided to explore it more. It all seemed quite convincing. Unlike Gorbachev who introduced freedom of expression along economic restructuring in the USSR in the mid 1980s, the Chinese government has not loosened up its control on freedom of information among other political coordination goods. The Communist Party of the Soviet Union collapsed and the USSR was dismembered in 1991, whereas the CCP still reins the political front of China. Except from the Tiananmen Square events of 1989 when angry university students were protesting for political liberalisation, the CCP’s political survival has never been threatened. Having this in mind, my initial goal in writing this essay was to use the BDMD argument to show how Internet Censorship has helped the CCP maintain its political grip.

However, as I started to examine the argument I discovered that the “red firewall” could be by-passed easily. In fact, what makes China’s censorship policy so successful is not its technological architecture but the self-censorship people impose on themselves. People don’t actually take the risks of seeking out the information the Chinese authorities are trying to prevent them from seeing. My research took a different turn when I asked: “if Internet censorship in China was relaxed, would we witness a political uprising
leading to democratisation?” “Would the CCP be politically threatened, if it relaxed its control on the Internet and information control in general?” All these questions lead to a crucial one: “How crucial is lack of freedom of information on the Internet to China’s political liberalisation?”

The BDMD argument assumes that if political coordination goods were not controlled, people would demand political change and democratisation. The authors presume that the only reason people are not raising their demands for political change is because the Chinese authorities been successful in preventing the political coordination. By controlling the Internet the CCP has managed to frustrate of its ability to connect people and thus their possible coordination for political opposition. However, there is one major blind spot weaved into this argument: the presupposition of political actors’ identities. Bueno de Mesquita and Downs are correct in asserting that authoritarian regimes “are not passive observers of political change,” nevertheless they take for granted the identity of the other political actor in the equation. They assume that the only thing preventing people from demanding their political freedom is the lack of coordination among them. Yet, when we look closer to the success of Internet censorship we in fact discover that it is a porous system. Not a single article I have come across exemplifying the overarching control of the Internet by the Chinese authorities, failed to note that there are still ways to foul the system.

A Porous System

According to a Chinese journalist: “The government has tried to build a digital Great Wall to separate the Chinese people from free information, but its ability to impose
this form of censorship is limited. Anyone who has some knowledge of the Internet can find a way to access what they want” (Fromson, 1998). Hachigian uses a nice metaphor to illustrate the difficulty of blocking each and every site that has subversive material: “The Web is like a train carrying millions of passengers – scientists, porn stars, doctors, dissidents – sitting randomly throughout the cars. The only way to sort them is to stop the train, have inspectors climb aboard while everyone waits and throw the undesirables off one by one” (Hachigian, 2001: 128). This becomes even more overwhelming as more and more websites are constantly uploaded on the World Wide Web. Similarly unfeasible is monitoring more than twenty million email messages that are sent every day in China (Hachigian, 2001).

Internet users can circumvent the barriers and access blocked websites through the use of proxy servers (Abbott, 2001; Hachigian, 2001; Hermida, 2002; McCormick and Liu, 2003; Boas 2005). Proxy servers are computers outside the country’s own network whose transitions are not interdicted by the authorities’ filters (McCormick and Liu, 2003). Interestingly, a Chinese newspaper ran a report in 1999 that taught users how to use proxy servers for “faster” connections. Moreover, much of the news carried on blocked websites such as The Washington Post also appear in other websites that are considered “innocent” and their content can always copied into an email and sent to China (Hachigian, 2001: 128).

So if everyone can just bypass the great red firewall, how come Internet censorship has been working in China? Well as presented in the previous section, infrastructure is one of four mechanisms used by the Chinese authorities and even thought it doesn’t exercise absolute control on Internet use, the combination with the rest
mechanisms make the control more effective. In fact, self-censorship is the most effective part of Internet control. Although Lynch dismisses crackdowns as “either empty rituals or devious stratagems used by reformist political coalitions to appease more conservative factions” (Lynch, 1999: 14), other writers such as Chase and Mulvenon (2002) provide a numerous examples of high-profile crackdowns and arrests. Prison sentences have deterred individuals acting in a similar way and most internet cafés and discussion forms police themselves in order to stay out of trouble.

According to Kalathil and Boas “although some may wish to access uncensored news or politically sensitive websites, average users are too risk-averse to do so” (Kalathil and Boas, 2003: 143). But isn’t defying risk and fear part of any ideological movement? Why aren’t the Chinese people taking the risks needed for their fight for democracy? What’s keeping them for taking the risks? If “the Chinese state is not an omnipotent entity, but has numerous permeable holes” (Yang, 2003: 437), why don’t people leap on the opportunity to escape censorship, organise, coordinate and raise their demands for political freedom? Why haven’t they taken advantage of the Internet’s heralded role as a catalyst for democracy to bring about the popular demand for political power so many scholars have been waiting for? What is holding them back from not picking through the hole on the re firewall? But the most important question to ask, one that Bueno de Mesquita and Downs failed to ask, is “Who are these Internet users?”

China’s Internet Demographics

Dutton tells us we need to bear in mind that Internet access is socially shaped and “therefore reflects fundamental structures of a given society” (Dutton, 1999 as summarised in Qiu, 2003: 4). In the case of China statistics show that Internet access is
by large limited to a relative small fraction of society which comprises the affluent and educated middle class the resides urban areas. 153 million Internet users is an impressive number, nevertheless it only represents a mere 12% of China’s 1.3 billion population. The number of Internet users is so small in relation to the population size that even if a politically subversive message was sent to every single one of them, the effect would be little since the majority of the population would not even see the message.

Furthermore, the demographic gaps in income, education and age between Internet users and average Chinese demonstrate that Web users are not representative of the general population. The education gap is staggering: 51% of Internet users have a college education or higher, while only 3.6% of the Chinese population has college education. Moreover, Web users are predominantly young with 67% being under thirty-five and students accounting for 36% of all users (CNNIC July 2006 report). The only representative factor seems to be gender. While in July 1998 93% of the users were male (Qui, 2003), according to latest CNNIC report the male proportion has declined to 59% which is closer to the 51% overall male population. The majority of Internet users earn more that 1000 RMB per month (roughly $120), and while this is not a huge amount of money it is in stark contrast with the less than $2 a day the United Nations estimates 57.8% of Chinese population lives on (Abbott, 2001: 106). Qiu (2003) also draws attention to the degree of uneven spatial distribution of Internet usage: 23% of users leave in the urban centres of Beijing, Shanghai and Guangdong Province even though these areas collectively account for only 8% of the Chinese population (Qiu, 2003: 6).

Clearly the statistics illustrate that Chinese Internet users tend to be young, wealthy and educated middle class young people and this of course has political
implications. Well, these young affluent users have little to complain about and may have little incentive to endanger their future careers by discussing politics online. In addition, they are most likely not to be much effected if they come across a subversive political message online and as social scientists have found, “those members of the Chinese society who see a secure career path within the existing political system may be reluctant to disrupt it” (Walder, 1986 and Pearson, 1997 as summarised in Harwit and Duncan, 2001: 406). The web-based autonomous group that would challenge authority and possibly lead to democracy as forecasted by Taubman (1998) is not visible in China.

Moreover, the middle class that Internet users come from is not actually very fond of democracy. Unger (2006) warns us that even though the rise of a middle class is usually seen as a forerunner of democratization, in China many members of the middle class don’t want democracy: “In fact, if there is another outbreak like Tiananmen, Many would prefer to be on the government side of the barricades” (Unger, 2006: 29). Unlike the time of the Tiananmen protests in 1989, when the urban educated population was upset with low salaries and government corruption, today the educated and wealthy Chinese middle class is content in the current system and the students look forward to their material futures. The members of the middle class are elitist and hold China’s peasant majority in disdain. They do not want the peasants to have a decisive role in the politics of the country and thus many middle class members do not want democracy (Unger, 2006: 28-29). Chen reports similar findings in her research: “Such an elitist complex poses a psychological obstacle in their acceptance of political equality based on the one-citizen-one-vote principle” (Chen, 2003: 417). Unger predicts: “Don’t expect
regime change or democratization any time soon. The rise of China’s middle class blocks the way” (Unger, 2006: 31).

*Technological Determinism*

Emerging out of modernization theory, the argument of Internet-led democratisation shares its determinism. Lynch uses the term “technological determinism” to describe the wide-spread belief that “wherever advanced communications equipment becomes available, democratization will certainly occur” (Lynch, 1999: 228). Once again the role of capitalistic development and in this case technological advancement is overvalued at the expense of human action. The argument that Internet will facilitate the overthrow of authoritarian regimes and replace it with democratically elected governments assumes that the Internet users are willing to do so. It also assumes that technology will have the same impact in different regions and cultures, although “the same technology has different social implications under different historical and social conditions” (Yang, 2003: 455). McCormick and Liu bring attention to the fact that in Europe printing was seen as “an agent of the Enlightenment” which spread knowledge while in China the introduction of printing helped in the distribution of knowledge but a similar “enlightenment” did not take place (McCormick and Liu, 2003: 143).

The belief that if technology is introduced everything else will fall into place is plagued with social blindness (Putnam, 2001). Critics of technological determinism site the importance of a civil society in the rise of democracy as “a vigorous civil society is often taken to be foundational to democratic politics” (Yang, 2003: 455). Even though telecommunications and mass media play an important role in democratic transitions,
“information needs social context in order to be meaningful” (Putman, 2000: 172). So in other words, unless technological advances are coupled with a vibrant civil society

The rise of civil society is closely related to capitalist development and it is today heavily viewed as a foundation of democracy. Rooted in the Scottish Enlightenment civil society is “that collection of diverse interest groups and social organizations that is strong enough to provide some autonomy and protection to individuals from the authoritarian and hegemonic tendencies of states” and has helped to “motivate and inspire democratic struggles under authoritarian regimes” (Candland, 2001: 140). Hegel and Max used the term to “denote the particular form of society which emerged with the growth of capitalism, rooted in the autonomous sphere of economic activity” (White, 1993: 66). Gramsci put the notion of civil society in the centre of revolutionary change and argued that for fundamental political transformation to take place, civil society had to reject state authority (Perry, 1994).

So in other words, a dynamic civil society needs to be present for technological advances to play a role in the emergence of a democratic political system. Does such a civil society exist in China?

A Chinese Civil Society?

The student protests at Tiananmen Square in 1989, brought in a wave of interest in studying civil society in China. The rise of democracy in Latin America and Southern Europe as well as the dismantling of communism in Easter Europe were attributed to the existence of a vibrant civil society and scholars wondered if the Tiananmen events
signalled the rise of a civil society in China that was ready to defend the citizens against an authoritarian regime. There has been a strong debate, however, on whether a concept with such deep Western origins can be applied to China. Huang (1993) and Wakeman (1993) argue that the concept is hard to apply to Chinese realities because it is value-laden and historically specific. Similarly Dean (1997) refuses to apply such a Western-based concept to China as he sees it completely irrelevant to the Chinese culture.

On the other hand, other scholars understood the events of 1989 as “a fundamental conflict between a state with totalitarian intentions and an emerging civil society” (McCormick, Shaozhi and Xiaoming: 1992: 182). Lynch, however argues that the problem of the semi-autonomous Chinese groups do not fulfil the classic criteria of civil society, and “specifically the requirements that (1) such groups enjoy a sphere of legal autonomy acknowledged and guaranteed by the state; (2) the groups in turn acknowledge the state’s legitimacy as the primary rule-maker and rule-enforce in society (3) the groups energetically pursue the political of their members, albeit within frameworks constructed in negotiations with the state; and (4) the groups partake of the political dialogue that should be flourishing in a liberal, well-structured public sphere” (Lynch, 1999: 231).

Indeed some scholars have been so determined to find civil society in China that they either ignore the definition or stretch the meaning of the term to encompass the realities of the Chinese society and thus create a “civil society with Chinese characteristics” (Chamberlain, 1997; Lynch, 1999). White argues that “with the socio-economic changes wrought by the economic reforms, a social space has begun to open up between the state and economic agents, and a parallel shift has occurred in the balance of
power between the state the new non-state actors” even as he acknowledges that “at the present stage, the independence and the influence of the associations are too weak to allow us to call them ‘pressure’ groups or even ‘interest’ groups... as organisations they are far too deeply penetrated by the state” (White, 1993: 67).

McCormick, Shaozhi and Xiaoming argue that the most apparent form of civil society during the first decade of reforms was the development of the private entrepreneurial organisation. If we accept Moore’s “no bourgeoisie, no democracy” then this would be a positive sign for the democratisation prospects of China. However, although Chinese entrepreneurs have gained substantial autonomy from state authority they show no potential of acting as a catalyst for political change. Pearson (1997) explains that instead of forging horizontal relations among themselves entrepreneurs seek to build relationships that lead to “socialist corporatist” and “clientelist” state-society relations. Even organisations that “at times enjoy de facto autonomy are ‘hooked’ into a formal state structure” (McCormick, Shaozhi and Xiaoming, 1992: 196). Pearson asserts that “the new business elite does not represent an emerging civil society” as the new business elite has failed to convert its “economic position to political influence” (Pearson, 1997; 101, 9). Similarly, Solinger argues that economic development in China has softened rather than sharpened the state-society relationship. She concludes that “it is hard to claim there are any immediate grounds for hope of change… the cords that connect merchant to bureaucrat and both to the state continue to tighten” (Solinger, 1993: 144). A recent development that tightens these cords even more has been the decision of the CCP to allow for the first time private entrepreneurs to join the party thus weaving together the public and private sphere even further.
This analysis shows that the western-style civil society that has toppled authoritarian regimes in Latin America and Southern and Eastern Europe does not exist in China. Chinese media organisations “are simply in no position to play the political role of some of the prestigious Latin American newspapers that clung tenaciously to a semi-autonomous status during years of harsh oppression” (Lynch, 1999: 234). Furthermore, the social organisations that some scholars point to as evidence of an emerging Chinese civil society, do not have the power to act as pressure groups or even interest groups. Lynch argues that even though the Chinese state has lost a significant degree of control over thought work, it has not been replaced by a “liberal public sphere,” a term that denotes “order, predictability and vigorous political debate” (Lynch, 1999: 5). Instead the signs of apolitical Chinese society have been manifested in the commercialisation of media.

Commercialisation means that the mass media offers products that appeal to the audience’s tastes and in the case of China people do not demand “the political news required to feed a civil society, but rather meretricious entertainment” (Lynch, 1999: 235). McCormick and Liu warn us that “A public sphere based on consuming entertainment commodities is a poor foundation for political debate” (McCormick and Liu, 2003: 140). Similarly Hewitt and Clark (2001) found that Internet users were more interested in subjects such as sports, living, travel and food than news. Even though they recognised that online avenues for “greater political dialogue are expanding,” they concluded that currently “there is little indication that Internet forums are contributing to a greater degree of Chinese civil society. The kind of future challenge seen by Taubman
and others who forecast net-based autonomous group formation, and perhaps eventually democracy, has yet to materialise” (Hewitt and Clark, 2001: 406).

V. Conclusion

The goal of this thesis was to examine an argument recently presented by Bueno de Mesquita and Downs in an effort to explain why China’s economic development has yet to lead to democratisation. I chose to concentrate on China’s ability to control the Internet, because the Internet’s characteristic as both a political coordination good and an economic good presented a fascinating case study.

In investigating this question I was first inclined to answer in the affirmative: China has been successful in effectively controlling the Internet’s political threat and thus avoiding any political demands that could arise through it. However, as I looked closer at Internet censorship I realised that the Chinese virtual firewall is not as restrictive as I originally thought. In fact, I discovered that China’s technological system that controls the Internet censorship is quite porous and any Internet user with some computer knowledge can peek over the firewall. Nevertheless, occasional arrests and punishments of online dissidents avert Internet users from circumventing Internet censorship. Their adversity to risk left me puzzled as I wondered: aren’t oppressed people supposed to defy the risks in their fight for political freedom?

At that point I started unpacking the BDMD argument and uncovered its big blind spot: it assumes that Chinese Internet users are oppressed and given the opportunity they will take advantage of the technology to raise their political demands. The BDMD argument assumes that if political goods were not controlled people would actually
demand political change and democratization. They presuppose that the only reason people are not raising their demands for political change is because the Chinese authorities are doing a great job controlling the networks that connect people. Nevertheless by removing the BDMD blind spot on assuming political actor identities, I realised that Chinese Internet users have no interest in democratisation.

By examining the demographics of Internet users in China, I discovered that they are wealthy, educated, young people whose middle class status does not provide them with any motivation to revolt against the Chinese authorities. Not only they are not willing to risk their status by breaking censorship rules but these Internet users are not willing to share the voting power with the peasants. In fact, they are not even supporters of democracy. In their argument, BDMD assume the identity of oppressed people that given the chance they will fight for their political freedom. However, this is not the identity of Chinese Internet users and thus we should not be surprised they have not led the way of an Internet driven democratisation.

The BDMD argument is also plagued with the deterministic character of modernization theory, which exemplifies the role of structures on the expense of human action. In this case, the Internet was seen as a vehicle for political transformation. Nonetheless technology needs a social context to be meaningful and different societies give different meanings to the same technological tools. So even though China’s system of Internet control is porous, the civil political action expected by analysts has not taken place since a Western-style civil society does not exist in China. Even though some scholars have extended the term of civil society in order to encompass Chinese reality, the social organisations they have found in China are too weak to serve as pressure
groups against the authoritarian regime. So once again, an assumption deeply routed into the BDMD argument does not exist in the Chinese reality and analysts’ predictions of online forums developing into web-based autonomous groups and pushing for democratisation have not taken place.

By examining why Internet has failed to act as a catalyst for democracy, I have illustrated that on the surface we can indeed agree with the BDMD argument. CCP’s policies have managed to rip the economic benefits of Internet commercialization while at the same time curtailing any political coordination and thus successfully managing to maintain its authoritarian power. However, that argument serves us with a simplistic explanation and by looking closer we can see that the assumptions that underline it do not exist in China. The BDMD analysis follows suit with modernization theory, which sees economic growth as a one-way street leading to democratization. There are no other detours to follow. Analyst after analyst has tooted the horn of modernization theory arguing that democratization follows economic development with just a minor time lag.

So does economic development lead to political liberalisation? In the case of China it hasn’t and at this point it would be unwise to make future predictions. Despite a certain tendency in international politics literature to make predictions, and especially positivism’s constant attempt to construct iron-clad laws in order to make future projections we should try to understand rather than explain and predict. This thesis has demonstrated that the analyses which to explain China’s ability to reform and liberalise its economy without sacrificing political control by pointing to its ability to control and suppress political coordination goods suffer from their deterministic rationalization and tendency to explain rather than understand. Embedded in a structural explanation of
political change, they assume the identity and thus the behaviour of people, which is reduced to material conditions. Even though they claim to explain the weakened link between economic and political liberalisation, they bring with them the fundamental assumptions of modernization, which amplifies the role of economic development at the expense of human action. In fact, their explanation only serves to strengthen the modernization theory as it only tries to give excuses to the delayed development of a democratic political system as stipulated by the deterministic character of modernization. As a result, instead of seeking to understand the underlying forces in play they only explain why X has not yet led to Y without contemplating the possibility of X leading Z and not Y. The aim of this thesis has not been to offer an alternative theory nor make future predictions. Rather the goal was to expose the blind spots of these analyses, exemplify their rigidity and suggest that it is time to break away from conventional wisdom and start looking at other possibilities.

Maybe China will become democratic at some point in the future, but even if it does it might follow a different route than deterministic theories predict. After all China’s capitalistic development is a “rare phenomenon in terms of its origins, path and depth” and “China is presumably the first country in world history where capitalism is largely an ‘artifact’ invented by the state” (Chen, 2002: 405). So we might see a new form of political system in China, one that we have not yet experienced in other parts of the world. Even Fukuyama (1992) who in his seminal work “The End of History and the Last Man” saw liberal democracy and capitalism as the essential organization in modern societies, in his later work “Trust” cautioned us that “It is not sufficient to say that
everyone eventually arrives at the same goal but by different paths…some never arrive at all” (Fukuyama, 1995: 342).

Interestingly enough, one of Lipset’s closing and grossly over-looked remarks in his essay that gave rise to modernization theory was: “Unfortunately…this conclusion does not justify the optimistic liberal’s hope that an increase in wealth, in the size of middle class, in education and other related factors will necessarily mean the spread of democracy” (Lipset, 1959: 103).
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