

Dialogue on Institutional Civilization

- Value and respect the diversity of institutional civilization, and there is no system universally suitable for every country.
- The system-building process of the Western countries has been long and further ahead, but the system they build cannot prevent major economic and social crisis.
- The Chinese system has paid attention to cultural meaning and effectiveness and shown robust life and appeal in the context of the world financial crisis.
- China and the West should learn from each other in system construction.

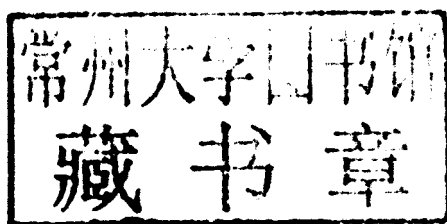


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DIALOGUE ON INSTITUTIONAL CIVILIZATION



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Round-table 1

What Is Institutional Civilization?

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Ai Ping: Everybody will have five minutes to express his ideas. We will proceed according to the alphabetic order. Let me start.

I have a vague memory that in the 1990s there was a debate about the philosophy of poverty or the poverty of philosophy. I am not sure whether I can use this term to describe the academia of present day. On the one hand, many things are happening in this world, like the rise of the “Middle Kingdom (i.e. China)” and the end of the Western world. I am using the title of the book written by Martin Jacques. Many Chinese do not like this book. But I believe he was talking about something very important that is happening in this world. Even Queen Elizabeth had asked the economists “how come nobody predicted the coming of the financial meltdown of the United States?” So, on the one hand a lot of things are happening. But on the other hand there seems no explanation for the reasons behind them. About China, many people say there is a strategic difficult situation, because there is a growing gap between the understanding of the Chinese and that of the international community. This would lead to some difficult situation in the world. In 2009, Martin wrote a book *When China Rules the World: The End of the Western World and the Birth of a New Global Order*. I share Professor Zhang Weiwei’s view that we find the title of his book too sensational. But I think your book shows a high level of understanding about what is happening in China. I find a better explanation in Professor Zhang’s book. I am not sure whether professor Zhang’s book has been translated into English. He mentioned eight features of the Chinese state for the moment. What I am saying is that we are at an important stage of history. There are

many issues and many questions for which we must find more convincing answers. I hope the brainstorming today and tomorrow will help us better understand the reality. Thank you.

Daniel Bell: One issue that I would like to discuss at the forum is the idea and practice of political meritocracy. In Chinese it can be translated as “贤能政治”. But I know some people may not like that translation and we can argue about that. The political system is designed to select political leaders of above average abilities to make more informed political judgment. Why is political meritocracy important to discuss? There are four reasons. One is historical. Political meritocracy has been central to the Chinese political system. You also have it in the West. But in China certainly the idea of political meritocracy has been important both in terms of philosophy and in political practice. The second reason is more social. The Communist Party of China has become more meritocratic over the past two or three decades, paying more attention to ability and virtue. The system is putting more emphasis on meritocracy. For the third reason, I think democracy is limited as a political system even when it works well. And here I mean the democracy in terms of “one person one vote.” When it works well, it best represents the interests of voters but not non-voters who are affected by policies as well. So for example, for future generations and for people living outside the country, they are affected by policies of the government but they do not have a vote. Think about global warming. Meritocracy has a lot to offer in terms of making up for the drawbacks of democracy. The fourth reason is the least important, which is the personal reason. I have a personal five-year plan, that is, to write a book on meritocracy. That is why I hope to learn a lot here. I am curious to learn how it works within the Party, especially about how meritocracy matters when it comes to recruitment and promotions for people within the Party and how ability is measured and how virtues are measured. Moral virtues are considered important but how are they measured? And how the past practices of meritocracy in imperial China might affect current practice? And are there any similarities

and differences? And what China may have to offer to other countries in terms of political meritocracy. I have a friend in Ukraine who runs a Meritocracy Party. And he is very interested to learn the Chinese experiences as well. Of course I am also interested to know what China wants to learn about meritocracy as practiced in other countries and how it could also improve the Chinese political system.

Chen Ping: I am a physicist by training, doing research in theoretical biology and economics since 1981. I mainly study two issues. One is the origin of cultural diversity and the rise and fall of civilizations. The second area is the origin of economic complexity including economic chaos and the financial crisis. And for the first one we introduced the population model for studying the evolution of the division of labor. The West mode of division of labor is characterized by labor-saving but resource-consuming technologies, shaped by risk-taking individualist culture. While the Chinese and Asian civilizations can be characterized by resource-saving but labor-consuming technologies, shaped by risk-aversion and collectivism. And there is a trade-off between stability and complexity. There are fundamental limits to individualism by resource constraints and structural instability, since capitalism is driven by creative destruction. We find that the economic structure is not simply a relation between macro and micro. There are three levels: micro, meso, and macro. Organizational changes and financial instability happen in the middle level. This perspective will fundamentally change our understanding about the role of an institution and government bodies.

Cui Zhiyuan: I teach at Tsinghua University in Beijing. In five minutes I cannot make any substantive arguments, but I want to draw your attention to a fact that is very much related to the theme of our Forum. As many of you may have already known, in the past 2 to 3 years there has been a very interesting intellectual and political debate in China about universal values vs. Chinese characteristics. I think this debate is very important. But I think the intellectual framework of the debate has to be reformulated. I would like

to draw your attention to one incident. The draft committee of the Universal Declaration of Human Rights by the United Nations in 1948 was chaired by Franklin Roosevelt. The only vice-president of the drafting committee was a Chinese professor who also worked in Tsinghua University. Many people in China back then did not know much about the first draft of the Declaration. So the first draft was mainly drafted by Western international legal experts. It included the phrase that “human being is endowed with reason.” Professor Zhang Pengchun of Tsinghua University was the only Chinese in the drafting committee. He thought that Chinese philosopher Confucius had the notion that human beings have concern for others. He suggested the wording to be changed to “human beings are endowed with reason and manliness.” But people found this English expression too awkward. So the final version was “human beings are endowed with reason and conscience.” That was not a perfect translation for Professor Zhang’s idea. I got to know the story after reading a book by a professor of Harvard Law School. Many people did not know Professor Zhang Pengchun was one of the chief drafters of the Universal Declaration of Human Rights.

Chu Yun-han: With my limited time, I will only make two observations. We all agree that the hallmark of modern institutional civilization as exemplified by the West is characterized by, if I am allowed to use the term, golden trinity, consisting of autonomous civil society, free market, and liberal democracy. But I think this characterization is quite incomplete and partial. First of all, the modern state plays a very important role. Secondly, the embeddedness of organizational civilization within the globalized capitalist system should also be taken into account. There are different layers of global governance. We have also heard about the praise of this modern version of Western institutional civilization. “It is universal. It is best practice.” Under this model all societies will converge regardless of their cultural heritages and the trajectories of nation-building. In recent years this over-confidence and this triumphalism has lost its appeal. In Western Europe the welfare state model is falling apart. All kinds of extremism are

on the rise. There is political paralysis on the Capitol Hill in the US. As for the third-wave democracies, many governing mechanisms are stuck if not utterly eroded. But more fundamentally, the nation state and the democratic state is seriously constrained by the forces of globalization. In many cases the government cannot function as the guardian of the public welfare and the regulator of the national economy. And the state cannot reverse the over-concentration of wealth to a few individuals and cannot drag itself out of the fiscal crisis. So basically, I would argue that institutional civilization at a global level is in short supply. We need to experiment not only at the local level, the national level but especially at the global level. We have to find new ideas about how to reign in the forces of destruction brought about by global capitalism, how to deal with the complex interdependencies of all human society, and how to coordinate our efforts at different levels to face common challenges. Unfortunately, the current political system which is necessarily nation-centered, is near-sighted and short-term, and cannot save us from the grave danger of financial crisis, environmental crisis, and the economic marginalization of most laborers. Basically I think it is the time for a lot of reflection and a lot of deep thinking. We should overcome these ideological barriers and be open to all kinds of ideas. Also, we should explore the full possibility with social media and new technology. We should have a psychological readiness to accept these new technologies and bring ourselves up to the task of addressing the big issues.

Pasquale Pasquino: The topic I would like to be object of our conversation is related to what Daniel Bell was talking about: the selection of political elites, especially inside the Party's organization.

But now I would like to explain with a few words the reasons of my interest in the Chinese society. In 1968, when I was 20 years old, I was very active in the students' movement in the university of my city, Naples, in Italy. At that time young people like me were mostly interested in the ideas of the post-Marxist left, those which were discussed from Berkeley to Berlin, not in Beijing. We did not know really what was happening in China.

China was for me at that time a poor country, far away from the West. It could not serve as a model and inspiration for the European new left. It is only much later on that China attracted my attention and that was not really because of its rapid and astonishing economic development in the post-Mao Zedong era. My interest originated from reading a book, a masterpiece written by a French sinologist: Jacques Gernet. In his book (*Chine et christianisme. Action et réaction*, Paris: Gallimard, 1982) Gernet describes the relationship between China and Christianity. He explains how China was able to resist the attempt of imposing the Western cultural hegemony. As it is well known, the efforts to convert China to Christianity failed. Since I read Gernet's book I became interested in the reality of the Chinese culture and civilization. The Italian Jesuit Matteo Ricci (Li Ma Dou), who came to the Empire of the Middle to convert his population, was seduced by China to the point that he never left the country and died here. That was a story of the seducer seduced by the potential victim. Unlike Matteo Ricci, I'm not here to convert, but to learn and to understand China. Which is moreover a way to understand better the Western political system from which I come.

Bruce J. Dickson: The theme of the Forum "institutional civilization" is obviously broad. No one had an idea of what to focus on before coming. Listening to the short presentations so far, I have found many overlapping. I would like to talk about the institutional ties between state and society of modern democracies and authoritarian states. People think that democracies produce more good for their people. Good politics produce good policies. In authoritarian states, leaders are not subject to elections and therefore need not gain public support and result in bad politics. But bad politics may not mean bad policies. Dictators have to give benefits to their supporters to remain in power. However, we are seeing opposite trends both in democracies and in countries like China. Many democratic governments are cutting back on the provision of welfare, while China is increasing spending on health care and education and social development policies. The question is why leaders of authoritarian states provide good

for their people. What are the consequences when leaders don't provide goods and services? How do Chinese leaders get to know what the people want and deliver them? There seem to be more genuine public support in totalitarian societies. This has puzzled many.

Jon Elster: I want to talk about new democratic institutions. There are three approaches, three institutional designs. First you must have institutions to produce good decisions that promote long-term goods. Secondly, you should design institutions that have good decision-makers that combine ability, virtue, and energy, energy meaning dedication to the task so that congressmen would not spend half their time campaigning for re-election. Thirdly, one should design institutions where decision-makers have passion and interest. I think it is very hard to spell out the coherence of a long-term institution, for example for future generations we know nothing about. We do not know what is in the interest of future generations, what their needs are and what their major concerns are. It is also because of other well-known problems such as the majority criteria in most democracies. We also have to consider whether the measures are operational. I am also skeptical toward the second approach, i.e., selecting decision-makers for ability, virtue and energy. Maybe some academic qualifications are required. There is no reason to think that there is a correlation between ability and virtue. There might be ability without virtue. We should keep that in mind. Hardly anyone is selected based on virtue. We should also pay attention to a person's interest and passion when designing institutions, for example whether he has racist and other bias. For this purpose we could use a number of tools. The main tool is probably secrecy. We should combine secrecy and exposure. We could also use debates. In the US a person running for Congress must disclose his financial situation. We should design institutions to prevent those in power from clinging to power by ensuring that constitutions and laws are abided by.

John Ferejohn: I am interested in the relationship between agency and economic development. In economic agency models, a single agent works under a single principal. What has not been discussed by economists is political agency. In economic agency models there can be multiple agents supervised by a single principal. If the principal does not like an agent, he could fire him. So there is competition on the agent side of the market. But in political agencies, where there are usually several principals (voters) supervising an agent, there is competition among the principals. If there is diversity among principals, this can be taken advantage by the agent. More generally in principal agent theory there can be competition on both sides of the relationship. So the problem for institutional design for me is how to manage political agency relations: how to take account of the fact that there are multiple principals and multiple agents. Some institutions may be explained from the point of agency. Elections may be considered a way to manage agency problems. Generally, there would be conflict both among agents and among principals which would be managed by the electoral rules. Different rules (institutions) would generally produce different results.

Stephen Holmes: The theme “institutional civilization” is extremely mysterious. Listening this morning, I have heard a couple of things that seem somewhat contradictory. One idea was that China has now joined ongoing institutional civilization through its interactions with Western institutions. Another, not completely consistent, idea was that the West is now in the throes of an institutional crisis. We cannot regulate banks. The US Congress is totally dysfunctional. The EU cannot govern itself, and so on. In this case, China is less interested in joining an ongoing enterprise than in overthrowing a failed enterprise. There seems to be no happy model for institutional civilization out there that China can imitate. I hope that the Chinese panelists can talk more clearly about whether the West constitutes a model or a counter-model (warning) for building institutional civilization in China. Our discussions this afternoon can benefit immensely, in addition, if we know precisely what the Chinese participants consider to be

the principal roadblocks in the winding road of institutional development in their country. We want to see what the major obstacles are in your opinion. I am a student of contemporary Russian politics. In Russia, as you may know, there is no commonly accepted “succession formula,” no set of rules or procedures to organize the political struggle to choose the next generation of national leaders. The elaboration of such procedures and rules in China represents, arguably, a remarkable story of institution-building. Nevertheless, I think you would never have organized this international conference if you did not believe that there are still considerable obstacles to overcome in achieving “institutional civilization,” whatever that means, in China. The aim of my remarks is therefore only to stimulate your corrections of Western misperceptions about the nature of these obstacles. Institution-building is obviously a principal project of the CPC today. But is there any latent tension here? Can such a powerful institution foster “institutional civilization” without weakening its ability to steer the country? Are new institutions created by the CPC necessarily compromised in their independence because the CPC retains residual powers to overrule decisions made inside newly created institutions? Do local Party leaders have to obey contradictory demands from the CPC’s central leadership and local officials? What role does factional or personal loyalty play in appointments to political office? (No bureaucracy can function without some degree of loyalty.) What are the principal methods for limiting the impact of nepotism, cronyism, and factionalism within the appointments process? How can political authority compete with the lure of monetary rewards? Which public officials are punished for disobeying which rules? What principles govern the selection of which officials to punish? How do national leaders gather information about local officials in the absence of a free press? These are the kinds of questions that Western students have about “institutional civilization” in China today.

Self-evaluation, it should be said, never works very well. Institutional civilization requires systems of oversight designed to filter out the disinformation provided by those under scrutiny. Whether it makes sense

to speak about oversight in this way, you can tell me. You may, in fact, give us an entirely different list of obstacles to institution-building in China. It will help because it may allow us to find examples from the history of Western institution-building that may be relevant to China.

One general point is that institutions are often designed to solve particular historical problems, but then survive and continue to function after the original problem has been solved or has simply disappeared. One consequence may be that institutions designed to solve problems end up producing problems. Some institutions that prevent bad things being done also prevent good things from being done. For example, there are institutions of accountability; but there are also institutions that prevent accountability. We have many of those in the US. No public officials have taken responsibility for the bank collapses, the torture of terrorists, etc. Bodies set up to battle corruption can easily be captured by rival factions and used as weapons in factional warfare with little or no benefit to the public. But I think special attention should be paid, as said, to institutions that arose to solve problems which have subsequently disappeared. A good example is NATO. The problems that NATO arose to solve are now gone. But vested interests remain. Institutions are “populated” by individuals who have interests. Generals and other officers in the NATO command do not like to give up their privileges. So NATO will stay around for a long time to come. How is such a perverse outcome related to “institutional civilization?” Can we speak about the pathologies of anachronistic institutional inheritances? In any case, NATO is institutional vestige that prevents resources from being used rationally. My main point here is that we should use “institutions” as a neutral or descriptive category, not as a normative one, as if every institution made a positive contribution to civilization. In fact, every institution has a potentially negative side. Every order has its associated form of disorder. Finally, I would like to say something about borrowing or copying institutional models developed elsewhere in the world. In the case of any given institution, you should look at why it was originally created? What purpose (or purposes) did it serve?