



# Inside the 'Flower Vase': The Chinese People's Political Consultative Conference (CPPCC)

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**Abstract:** The Chinese People's Political Consultative Conference (CPPCC) is often ignored as a ceremonial and non-functional government body. This research examines its role as an agency of governance. It is the major institution through which the Party-state co-opts private entrepreneurs and through which private entrepreneurs officially participate in politics by acting as advisors to and surveillance of the government. It also plays a crucial role in the Chinese Government's united front work, by connecting the CCP, the non-Communist parties, mass organizations and different social fields. This research also highlights Chinese private entrepreneurs' political interests and how private resources can be drawn upon to perform public functions such as philanthropy.

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In the attempt to understand China's current socio-economic change, one 'big question' often drives both academic and non-academic interests: will the rise of China's private entrepreneurs lead to democratic political reform? There is a set of assumptions, set in place since the 1950s by theorists like Lipsett and later Huntington, making a correlation between wealth and democracy, which suggests that the more well-to-do a nation is, the more likely it would see the emergence of a democratic social system; and a growing middle class is often the drive of this democratization process. In the case of China, with a growing number of private entrepreneurs, with increasing influence, a reasonable proposal might be that private entrepreneurs are expected to be the initiator of China's political change. However, counter-arguments are well-established by the current scholarship on why private entrepreneurs are not driving China's democratization. Scholars suggest that the Chinese government manages to 'corporatize' (Goodman 1995; Unger and Chan 1996), 'co-opt' (Dickson 2003; Dickson 2008; Chen and Dickson 2010), and 'clientelise' (Wank 1999) the entrepreneurial classes. Overall it seems likely that the Party-state has successfully turned private entrepreneurs into its 'allies' (Chen and Dickson 2010) and thus they are not advocates of democratic political reform in China.

However, these analyses only partially account for the story: they all invariably emphasize how the state 'influences' and 'controls'. Politics evolve and state-society relationships change over time. A modern authoritarian government can also be resourceful and efficient, adaptive and accommodative, even that of the Chinese Communist Party (Shambough, 2009; Burns, 2004). Indeed, the Party-state in China should not be regarded as a rigid regime that only seeks to control. On the contrary, it is a flexible system that is and has often been able to accommodate practices and opinions of different interest groups and evolve accordingly. After all, this is how China's economic reform started in the first place, the most famous examples being the introduction of household contract responsibility system in rural areas in the late 1970s and the establishment of Special Economic Zones in the southern coastal areas in the 1980s.

A one-dimensional understanding of the Party-state, in which it merely exercises influence and control in a coercive top-down way, does not account for its capacity to address the private entrepreneurs' political demands in the context of the Party's broader goal of maintaining economic growth and social stability. Without that capacity, private entrepreneurs could still eventually become oppositionists, if their political influence does not grow with their economic power. For these private entrepreneurs to remain supportive of the *status quo*, there must be a way to channel their growing political demands. There are of course many different aspects to democratic reform, some of which – such as monitory democracy – may be more useful in helping to explain political transitions in authoritarian regimes. While the weight of emphasis in the rest of the world's view of political change in China concentrates on the possibilities for elections and forms of liberal democracy, as Keane points out, accountability maintained by structures of public supervision may be more effective democratic checks on government and administration (Keane 2009).

The relationship between the PRC government and entrepreneurs is newly emergent yet one of the most important for state-society relationships in contemporary China. Entrepreneurs are now, in the Party's official view, the group that possesses 'the advanced social productive forces' (Jiang 2000) that drive the country's unprecedented economic growth. Apparently, the most direct indicators of private entrepreneurs' connections with the Party-state would be for them to obtain Party membership and/or to hold official positions (Chen, 2011; Holbig, 2002; Alpermann, 2006; Dickson, 2000-2001; Dickson, 2003; Dickson, 2008). However, on the one hand, Party membership has lost its supreme position in one's political life. It is no longer the only way to resources and security. Actually it is even

questionable that Party membership could ensure such access, especially in the business world. Though the 'Three Represents' theory raised in 2000 has given ideological justification for private entrepreneurs to join the CCP, research shows that it is more like a strategy of the Party-state to acknowledge the already existing fact that many private entrepreneurs have long been in the Party with or without official permits, rather than a result of private entrepreneurs seeking to be included into the system (Chen, 2011; Holbig, 2002). On the other hand the Party-state is trying to draw a clear line between government and business. The majority of private entrepreneurs with experiences of official positions do not currently hold any such positions (Chen, 2011). Since the late 1990s, the Party-state has passed regulations and laws prohibiting officials and civil servants from engaging or participating in any profit activities, either under their own or their family members' names.

Of course, family and personal connections with the Party-state still matter to private entrepreneurs, not least because it means more access to resources still controlled by the government as well as an easier way to negotiate with the government. And private entrepreneurs' connection with the Party-state can also be realized through these new rich people attending Party schools, joining other political parties and social organizations, and receiving different types of honours and titles from the Party-state (Chen, 2011). However, the most official means for private entrepreneurs to formally participate in policy-making and politics would be for them to participate in the People's Congress or the Chinese People's Political Consultative Conference (Chen 2011, Dickson, Kelly Tsai, etc). The People's Congress and the CPPCC, together with the CCP and the government, are commonly referred to as '四套班子' (the four sets of leadership), which indicates that these four factors constitute China's basic political system of 'multi-party co-operation and political consultation under the leadership of the Communist Party of China'.<sup>1</sup> The former claims to be 'the organ through which the people exercise state power',<sup>2</sup> and the CPPCC provides non-CCP party members, people from ethnic minority backgrounds, all trades and professions access to political participation. By this very description, the CPPCC is a bigger platform (than the People's Congress) where private entrepreneurs participate in local and/or central politics.

### *Background*

The origin of the Chinese People's Consultative Conference (CPPCC) dates back to the period of the Republic of China, as the Kuomintang (KMT) and the CCP agreed to open multi-party united-front negotiations on post-war political issues. The first conference was organized by the KMT in 1946 in Chongqing. When the CCP established its power in mainland China, it called upon a 'new' political consultative conference in September 1949 and invited representatives from friendly parties, mass organizations and overseas to discuss the establishment of a democratic coalition government (Groot 2004).

The first Chinese People's Consultative Conference functioned as China's legislature (Huang et al. 2008; Tung 1968). It elected members of the State Council and decided on the capital, the national flag, the national anthem and the calendar of the People's Republic of China. The conference adopted *The Common Program of the Chinese People's Political Consultative Conference*, which served as the de facto constitution, until *The Constitution of the People's Republic of China* was approved by the CPPCC in 1954. As the first president of the National Committee of the CPPCC, Mao Zedong announced the establishment of the People's

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<sup>1</sup> Constitution of the People's Republic of China, available at <http://english.peopledaily.com.cn/constitution/constitution.html>.

<sup>2</sup> See the website of the National People's Congress of PRC at <http://www.npc.gov.cn/zgrdw/english/aboutCongress/aboutCongressDetail.jsp?id=Introduction>.

Republic of China on 1 October 1949. In 1954, it approved the constitution, and the CPPCC transferred its function as the country's legislature to the newly founded National People's Congress, but the mechanism was kept as an organ of the CCP's United Front Work Department that united social forces outside the Chinese Communist Party.

Despite its glorious past, however, none of the current research has attempted to account for the actual forms political activities occurring within the CPPCC scheme. Presumably, this gap in current scholarship is a result of the CPPCC commonly regarded as a 'flower vase' (花瓶) or rubber-stamp organization that does not have any substantial function or real power. Even the CPPCC is unclear about its own functions. The official role of the CPPCC is only vaguely defined as to 'hold political consultation, exercise democratic supervision and act as a watchdog of the country's governance' (People's Republic of China Year-Book Editorial Board 2005). At the same time, China's socio-economic situation has gone through dramatic changes and the CPPCC's role and functions have evolved accordingly. The eight non-communist parties nowadays only count for a minor proportion of the 34 categories of PPCC members chosen by the CCP's United Front Work Department. On the other hand, the representation of economic interests has been increasing over the last two decades. On Taiyuan City People's Political Consultative Conference, for example, more than a quarter are owners of private enterprises. Membership of the PPCC has become the most common way for private entrepreneurs to formally participate in Chinese politics (Chen 2011; Dickson 2003; Dickson 2008; Chen and Dickson 2010; Tsai 2007).

However, during the last two decades Chinese entrepreneurs have been encouraged in increasing numbers to become members of and participate in People's Political Consultative Conferences (PPCC) – local assemblies of notables (organized by the Chinese Communist Party (CCP) through its United Front Work Department) that works alongside the system of People's Congresses. They have responded by attending meetings, submitting proposals to governments, and sitting on committees that monitor the work of government departments. Given the widely held views of the system of PPCC as either a historical remnant or a barely maintained acknowledgment of the need for a wider democracy this phenomenon of entrepreneur participation requires further explanation.

Aiming to address this rather neglected yet not unimportant intellectual issue, this research is based on the following hypothesis: In the transitional economy of China, state-society relationships have taken on new forms. Key interest groups such as private entrepreneurs want to and in fact are able to influence the way the country is governed. The CPPCC functions as an agency of such governance.

The Asian Development Bank's definition of governance is adopted in this research: 'the manner in which power is exercised in the management of a country's economic and social resources for development' (Asian Development Bank, 1995:3). In this sense, 'governance is neither confined only to governments, nor does it exclude partnerships with the private sector'. (John P. Burns, 2004: 37)

In this work, three key themes can be found expressing the qualitative aspects of governance: 'institutions', 'participation' and 'accountability'. These three factors are to be examined in this research in the context of contemporary China.

In order to test the bigger hypothesis and examine the three features of governance, this research will answer a series of more empirical questions about the nature of the CPPCC and private entrepreneurs' political participation in and through the CPPCC:

- What are the sources of CPPCC recruitment?
- What are the criteria for recruiting private entrepreneurs into the CPPCC?
- How is the private sector represented in the CPPCC?
- What does joining the CPPCC mean to private entrepreneurs?
- What are the functions of the CPPCC?
- What proposals do private entrepreneurs make to the government through the CPPCC?
- What and whose interests are reflected in private entrepreneurs' proposals?
- How does the government deal with proposals from CPPCC members?

**Preliminary empirical research:**

Taiyuan City is a prefecture-level jurisdiction, capital of Shanxi Province. The province has been developed under the influence of Party-state control for a long period, not only because of its geographic location—it is one of the closest provinces to Beijing, but also because of the significant roles it played in the CCP's success in the War of Resistance to Japan (1937-45), its pioneering position in the Great Leap Forward era (1958-62) and its enormous coal reserves. From the 1950s onwards, the province was developed by the Central Government as its heavy industry base for coal and power. As a result, the province's economy had been characterized by strict central control and planning for almost 50 years.

In November and December 2010, research was conducted Taiyuan, in terms of personal interviews and collection of official documents.

Two officials from different departments of Taiyuan PPCC were interviewed. Because of the organizational structure of the CPPCC, interviews were also conducted with two officials from the provincial PPCC, two officials from two non-Communist parties and 1 official from the Federation of Industry and Commerce. These officials answered questions on the nature, development and recruitment of their organizations/parties, the activities that members are engaged in and their reflections on private entrepreneurs' political participation.

A significant part of the empirical research plan is to collect published and unpublished documentary material on the composition of the CPPCC and private entrepreneur members' political activities in the CPPCC. Fieldwork in Taiyuan has generated really interest and rare data, including the full name list of the current city PPCC members and their occupations, titles of proposals made by the city PPCC members over the past three years, contents of the 'key' proposals (as chosen by the city PPCC) and their according response from relevant governmental departments.

All these empirical data have enabled preliminary and yet useful findings on:

*Organization and functions of the CPPCC*

The CPPCC consists of members from the CCP, the eight non-communist parties, people with no party affiliations, mass organizations (such as the Youth League, the Labour Union, the Women's Federation, the All-China Youth Federation, the Federation of Industry and Commerce, the Returned Overseas Chinese Federation, the Association for Science and Technology, the Association for Friendship with Foreign Countries), various walks of life (economy, culture and art, science and technology, social sciences, agriculture and forestry, education, sports, media, medicine and health, philanthropy), members with minority ethnic group and religious background, compatriots from Taiwan, Hong Kong and Macau, as well as personnel on special invitation.

Each category (parties, organizations, etc.) has a quota of memberships in the CPPCC. Candidates are not elected, but nominated by each of these categories as well as the CPPCC itself and finally approved by the United Front Work Department of the local CCP Committee. Thus, the CPPCC is under the leadership of the CCP.

Officially the CPPCC provides consultancy to the government, normally 'before important Party policies are made, before legislation of the People's Congress are passed and before the government's implementation'. However, according to one of the interviewees, 'very rarely will this be the case'.

More practically, once in the CPPCC, members are expected to: attend the annual conference to 'express their opinions on state policies and local affairs, as well as advice on and criticise governmental work'; attend fieldwork trips organized by the CPPCC—usually annual inspection trips with specific themes; take political studies courses; and make proposals and write opinion pieces addressing governmental departments. The government is obliged to respond to proposals and opinions of members of the CPPCC. 'If the members are not content with the responses, they have the rights to require that the proposals are reviewed again. In case that the government would not take the proposals seriously, the CPPCC has a special 'proposal committee' that supervises the process. If necessary, the committee organizes members to meet the relevant governmental departments to discuss the proposals face to face. To fully mobilize its members, the city PPCC has enacted a regulation since 2007 requiring each member each year to attend at least one conference, make at least one opinion piece, raise at least one proposal, participated at least one fieldwork trip and take at least one training course. Failing to do so would lead to deprivation of the membership.

Apart from this, each year the city PPCC chooses two governmental departments where 30 members spend a whole year to do investigation and assessment. At the same time, some governmental departments ask the CPPCC to appoint members to be their '监督员' (observers), normally those who are 'more enthusiastic, responsible and aware'. Previous research has observed such appointments among women entrepreneurs (Chen, 2011).

#### *Representation of the private sector in the CPPCC*

In the specific case of Taiyuan PPCC, there are 30 categories. Probably not so surprisingly, there is no private entrepreneur member from the CCP and from the category of 'media'. But in every other category, including education, sports and social sciences, there are some private entrepreneurs. The category that has the largest number and the highest percentage of private entrepreneur members is the Federation of Industry and Commerce (18 out of 23), which corresponds to information provided by the vice chairman of the provincial FIC that 'the FIC is the main channel through which private entrepreneurs participate in the CPPCC'. Out of the 450 members of Taiyuan PPCC, 124 are private entrepreneurs, which accounts for 27.6 per cent. Among the leadership of Taiyuan PPCC—executive members of the standing committee, 9 out of 79 are private entrepreneurs. It seems safe to argue that the private sector is well represented in the city CPPCC.

Interestingly, none of the interviewees was very clear about the official criteria for recruiting private entrepreneurs into the CPPCC. It seems like there has not been any official document explicitly listing the criterion, which invites further investigation. However, this does not mean that there are no rules to follow in this practice. When asked to speculate from impression, the interviewees shared the same opinion: private entrepreneur CPPCC members are nominated according to their business success normally judged by the scale of business activities, and social influence and contribution, which could mean how much tax a

private entrepreneur pays each year and/or how much and how often a private entrepreneur financially contributes to public causes, which the local government might otherwise lack the capital to do. Previous research reveals that private entrepreneurs could be called upon to donate to school construction, road building and community cultural activities (Chen, 2011). On the one hand, philanthropy is a criterion for private entrepreneurs to obtain membership in the CPPCC. On the other hand, once in the CPPCC, they are expected to donate even more. The deputy chairman of the provincial PPCC told an anecdote during the interview. On a fieldwork trip to visit poor households, each CPPCC member was told to donate a certain amount of money. The amount assigned to private entrepreneur members was 50,000 yuan, while to the rest it was 500 yuan. One interviewee commented that private entrepreneurs in the standing committee of the city PPCC are all 'owners of bigger enterprises' and with 'outstanding performance'—the latter means that 'they are very enthusiastic in answering the call from the CPPCC to donate money'.

The interviewees also commented on private entrepreneurs' general willingness to join the CPPCC, because membership in the CPPCC implies political security, social status and glory, business opportunities (from fellow members and/or the government itself), privileges. One interviewee also commented that the CPPCC serves as a means for private entrepreneurs to have their voices heard by the government. 'Private entrepreneurs officially supervise the government (in the CPPCC). Negative opinions (from private entrepreneurs) have their effects'.

This finding also explains some private entrepreneurs' reluctance to become members of the CPPCC (Chen, 2011), as it might mean publicity, attention (from the society and the government) and extra financial burden imposed on them.

#### *Political interests of private entrepreneurs*

When analysing the CCP's united front work, Groot describes intellectual members in the non-communist parties as an elite group that only cares about its own interests and 'have not generally sought to create a liberal polity based on universal suffrage, individual rights and popular participation in national politics' (Groot, 2004: xxvi). The high percentage of successful business owners in the CPPCC has almost turned it into a 'rich people's club'. Has it then become a forum of elite politics? Surprisingly, the answer is no.

Over the last three years, private entrepreneurs have made 312 proposals in the city PPCC, which account for 21 per cent of all proposals raised by the members. Only 10 per cent of these private entrepreneur proposals are about improving environment of the development of private enterprises by regulating the market, making favourable policies, relaxing existing restrictions, reinforcing network, access to loans, etc. More common topics are about social inequality, education, public health, food safety, infrastructure building, environmental protection, and sustainable development. They are concerned with the lively low-income urban families, peasants, migrant workers, laid-off workers, children, the aged, the disabled and ethnic groups. They talk about how garbage could be recycled, how heating could be provided more efficiently, where new roads should be built, and how the city could be cleaner and greener. They also reflect on their roles as CPPCC members and suggest ways how they themselves could be responsible. In general, these people are concerned with the well-being of the society.

#### *Private entrepreneurs' participation in local governance*

At the heart of governance processes is the fundamental question of 'who has the right to govern?' Who has power and who has authority, and how are the two related? How much

can and do citizens participate in formal processes of governance and in the broad deliberation of public affairs? The distribution of power and authority both within the state and between the state and society underlies the characterization of a regime as variously democratic, authoritarian, or totalitarian.

### **Inconclusive conclusion**

The significance of change or potential change in China's political institutions would be hard to understate. Practically China is the most heavily populated country in the world and has also experienced the most rapid economic growth over the last three decades. Almost any change in the operation of its political institutions is a matter of interest to those elsewhere who have to interact with China and its entrepreneurs. Intellectually, change in China has already challenged much received wisdom in political science about the relationship between growing wealth and political power. While the changing role of entrepreneurs and their involvement in PPCC activity is unlikely to be a generator of democracy in a broad sense, it nonetheless may reveal a more nuanced picture of political evolution in China than is often portrayed.

More questions created. More research needed.

What's the perspective of the private entrepreneurs themselves? How effective do they think such political participation would be?

Considering the scale of China and its considerable socio-economic variations, no single location can be regarded as typical or representative of the whole. What's the situation in other places with different socio-economical features and different central-local government interactions? Nanjing (wealthy coastal region, one of the provinces with the biggest private sector); Shenzhen (vanguard of China's economic reform, more distance from Beijing, both geographically and politically).

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