Q & A

Minxin Pei on the Biggest Misperception about China's Surveillance State

The political scientist talks about China's appetite for political reform, why no one saw Xi Jinping coming, U.S. responsiveness, and why China's low tech surveillance scares him.

BY DAVID BARBOZA — FEBRUARY 13, 2022

Minxin Pei is a political scientist who specializes in China's modern development. He is a professor of government at Claremont McKenna College in California, and a non-resident senior fellow at the German Marshall Fund of the United States. His 2006 book, China's Trapped Transition (2006), explored the difficulties of reforming the country's political and economic systems. Later, in China's Crony Capitalism: The Dynamics of Regime Decay (2016), he looked at how corruption had grown rampant during the nation's economic development. His forthcoming book, due to be published next year, focuses on the country's "surveillance state." Pei earned degrees from the Shanghai International Studies University and the University of Pittsburgh and was awarded a PhD from Harvard University. What follows is a lightly edited transcript of a recent conversation.

Minxin Pei.
Illustration by Kate Copeland

Q: You wrote many years ago about the "trapped transition," and China's struggle to move from a planned economy to one fueled by market forces, but also how difficult it has been for the political system to adapt to these new forces. What's the political framework you'd like to begin with?

A: That's a tough question, but let me give it a try. In the post-Mao era, the Communist Party went through three distinct periods. I call the 1980s the period of possibilities, because the Party could have gone in three directions. One direction would be to go back to the 1950s. That is a period of tight state control but without the craziness of Maoism. That was preferred by people like Chen Yun but did not sit well with Deng Xiaoping, who thought it was a dead end. Deng wanted to take China down a path of economic development under a one-party dictatorship. The way he saw it, China would be economically open and capitalist but the Communist Party would keep its political monopoly. Then there was a minority in the Party, represented by Hu Yaobang and later by Zhao Ziyang, who believed China could not go down that path. They believed that China needed both economic and political liberalization, though not necessarily democratization. Their political agenda was modest. It was a kinder, gentler, more open Communist Party but still under Party rule. Of course, 1989 changed all that. After 1989, and after Deng's "southern tour," nearly 30 years ago, Deng's strategy prevailed.

China has now ended three decades of this new authoritarian developmental order, which is a combination of political control and economic openness. It worked in the sense of getting

China integrated into the global economy. It engineered two decades of superfast economic growth. It delivered what people now call "the China economic miracle." This is a period when there was a lot of hope that economic openness would eventually lead to political openness as well. In the early phase of this period, mainly the 1990s, there were major economic reforms — such as banking reform, foreign trade reform, currency reform, fiscal reforms that eventually culminated in China's entry into the WTO [World Trade Organization].

In fact, political repression was not as harsh as it is today. When I look back to the 1990s and the first decade of the 2000s, it's easy to forget how different things were. Back then, the Chinese Communist Party was relatively nice to dissidents. They would take them out to dinners when they wanted to check on them or give them a warning. Now, they just put them in jail.

> **"[W]hy did economic reform slow down or even stop? China was actually stagnating at that time. I was one of the first to point this out, but my view was considered extreme."**

Things began to change under Hu Jintao. There was less economic reform and limited political openness. In the 1990s, Jiang Zemin was still trying to reform the Party. He had his "Three Represents" theory of getting capitalists into the Party. And he had this slogan about ruling the country according to the law. There was also some movement in terms of rural elections. But starting with Hu Jintao [who came into office as the general secretary in 2002], these things ground to a halt. There was little political reform; even economic reforms slowed. In the meantime, corruption grew rampantly. It began to increase in the 1990s, then exploded in the first decade of this century.

So around 2002 or 2003, I began to reflect on why these economic reforms had not led to political reforms. And I asked, why did economic reform slow down or even stop? China was actually stagnating at that time. I was one of the first to point this out, but my view was considered extreme. Now, you have the Xi Jinping period, which is a reversion to hard authoritarianism. Not only is there no economic reform, but there has been a reversal on practically every front. You can see that these are three very distinct periods.

I thought there was a sense, in the early 2000s, that bold reforms were on the way, and that China would loosen its political and social systems, after the Olympics. But obviously that didn't happen. In fact, they tightened controls. Is that right?

BIO AT A GLANCE	
AGE	64
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Yes. The stability-maintenance period came around that time. Zhou Yongkang spearheaded this with his tightening of the security state. At the time, the regime was worried about social stability. When you look at the data, social unrest started to climb in the late 1990s. The tightening occurred mostly as a response to rising social unrest. In terms of the treatment of dissidents, there was not that much difference between the Jiang period and the Hu period. In the Hu period, the security state simply covered more people. Under Zhou Yongkang, they began to target more social activists and protest leaders. That's the difference. But in terms of political reform, that didn't happen. I wanted to see whether they would extend village elections to township elections. And that never happened. That really was a litmus test of whether Hu Jintao would go further than Jiang, and it didn't happen. That tells me there was no appetite for political reform.

What happened during the leadership of Hu Jintao and Wen Jiabao that slowed the reform movement that was developing in the 1990s?

During the Hu-Wen period, the elites throughout the system were aware that the current system served them well. They did not have to move further [with reforms]. In fact, moving further was a lot harder. We're talking about just economic reform not political reform, because more economic reform would mean more competition for the state sector and that, in turn, would mean less control for the bureaucrats and fewer resources for the state [owned firms]. This is where you have the "trapped transition" thesis [that I wrote about]. The incentives and momentum for change dissipated during the Hu Jintao era. The economy is strong, they figured. Why mess things up? With the WTO dividend and China burning hot, they were more worried about slowing it down. So they didn't have to move forward economically, let alone politically.

China's leadership seemed to harden its stance internally and externally. What happened that led to this crackdown at home and "wolf warrior" approach to foreign policy?

Pei working on his dissertation at Harvard, 1989. *Credit: Courtesy of Minxin Pei*

The incident I would point to would be like the bloody Urumqi riot in Xinjiang incident, on July 5, 2009. That shocked the leadership. But also, the Chinese leaders didn't know what to do with someone like Bo Xilai. He was clearly angling for a position on the Politburo Standing Committee. What he was doing was clearly frowned upon by the Party. That's a reflection of the weak leadership. Nobody was enforcing household rules within the Party. And on foreign policy, it was a free-for-all. The Party became less disciplined and centralized in terms of foreign policy. It became more assertive across a wide range of areas, not just the South China Sea, but also human rights and investment in developing countries…

Was this a new strain of nationalism, or a sense that the U.S. was somehow trying to undermine China? Did Beijing perceive that there were forces outside of China working against it?

Not really. The Party had never stopped worrying about being undermined by all sorts of forces. I interpret the assertiveness, which started in the late Hu era or maybe 2010, as a turning point. There were signs of hubris, and of a fundamental, strategic misperception or misjudgment about global trends. After the 2008-2009 global financial crisis, Beijing saw worsening gridlock in the U.S., the euro crisis and an American quagmire in Afghanistan. I wouldn't say the Party has a conspiracy mindset but there was paranoia and a feeling of being both insecure and confident.

How is it that Xi Jinping, the relatively quiet son of a former leader, someone who everyone thought was the safe choice as steward of the Party would turn into the most powerful and aggressive leader since Mao?

First, nobody saw this coming. Had Jiang Zemin seen this coming, he probably would not have promoted Xi Jinping. Probably even Xi Jinping was surprised by his success. But there are underlying dynamics of this system that probably made this outcome more likely. This dynamic is what we call "leadership degeneration." Each generation of leadership is weaker than the previous generation. Veteran China scholar Mike Lampton wrote a book on this called *Following the Leader*, and in that book, he laid down this dynamic quite clearly.

By the time Xi took over, he faced relatively weak competition [from other senior leaders]. Just imagine if Xi had to deal with the likes of Chen Yun, Li Xiannian and Peng Zhen, the first generation revolutionaries. These were not pushovers.

By 2012, most of China's leaders were relatively weak in terms of personality and power base. Xi had to deal with two factions — the Jiang Zemin faction and the Hu Jintao faction. And the Hu Jintao faction is weaker because it is based on the [Communist] Youth League, which as we know does not produce strong personalities. The Jiang Zemin faction was very strong, but unfortunately its leader had been out of office for 10 years, and was aging. So the balance of power favored a risk taker. And Xi is a risk taker. He's very self-confident.

Also, Xi Jinping was very strategic. He went after the stronger faction first, rather than dealing with the weaker faction. When you look at the targets he focused on initially, they were mostly Jiang Zemin people. And the two factions that he dealt with did not unite [against him]. They did not put up a unified resistance, partly because the divisions between Jiang [Zemin] and Hu [Jintao] were deep and extensive.

Were the anti-corruption campaigns used as a tool to remake the Party in Xi's image?

Oh, yes. Corruption used to be the glue that held the Party together, because everybody benefitted from the system. But the game changed. It's now a liability. Xi Jinping was also fortunate in that, by pure accident, Bo Xilai was toppled just before Xi came to power. Imagine if he had to deal with Bo Xilai on the Politburo Standing Committee. That would have complicated his life enormously. Also, he was helped by Wang Qishan, who's a very capable guy, and who knew how to implement an effective anti-corruption campaign.

What's your sense of Xi Jinping, and his vision for the Party and the country?

The best way to describe Xi Jinping is that he's a strong man. There are aspects, superficially, that seem Mao-like: he likes to quote poetry, and the classics. He likes to show that he is the most dominant leader. But he's also a law and order man. This is something fundamentally different about him and Mao. Mao loved chaos. Mao wanted to use chaos to accomplish his political objectives. Xi wants order. He wants stability. And Mao is not a Party man. Mao would destroy the Party to realize his political and personal objectives. During the Cultural Revolution he turned the people against the Party. Xi Jinping is quintessentially a Party man. He wants to preserve the Party. He wants to do everything he can to make the Party strong. So these are very different visions.

“Mao would destroy the Party to realize his political and personal objectives. During the Cultural Revolution he turned the people against the Party. Xi Jinping is quintessentially a Party man. He wants to preserve the Party.”

What about his bold campaign targeting private entrepreneurs and the business class? Many businesspeople have been detained, jailed, harassed or forced to sell their companies. Why is that? To what end?

It's a big puzzle. Lots of people think this makes no sense. Here are my guesses. Xi Jinping believes the Party has been negligent in imposing its will on the markets. So where has he cracked down the most? Sectors where the Party has left things alone, like the internet. That's meant to show his commitment to Party supremacy. He's said that "north, south, east, west, the Party is everywhere." That reflects the mindset. Second, it's a process where policy is not carefully deliberated. It's more of a closed process now. Before Xi Jinping came to power, any major policy would have a lot of input from stakeholders, including businesses and various bureaucracies. Now it's a much smaller, closed circle. It's a more centralized decision-

making process. And that can lead to policies that are not carefully vetted. And third, precisely because the Party has not suffered major setbacks, it has a hubris-driven decision-making process. For a long time, people said, "Don't do this or that because the sky will fall." Well, the sky did not fall. Finally, you have to factor in U.S.-China relations. A lot of the things that have been done in recent years could be interpreted as a more proactive step towards hardening the Chinese economy, hardening its security, and hardening the Party, making China less vulnerable to U.S. pressure.

You once wrote the Party is decaying from within, with corruption seeping into its pores. But what do you say now, after the rise of Xi Jinping and the Party sitting more confidently in charge of the state and the economy?

The Party faces a different kind of jeopardy now. Before Xi came along, the Party was decaying because its members were corrupt. There was very little loyalty to the Party, and the Party was losing internal discipline. The will of the central government could not be enforced. So that's one type of decay. But when you look at the situation today, the Party is governing a much less dynamic society and economy. And that will raise questions about whether the Party can sustain its legitimacy. Also, the Party now has to deal with a real external threat. For decades, after the events in Tiananmen Square, the Party had been crying wolf. And now, the wolf has actually appeared, and that's the U.S. The party now believes the U.S. is intent on destroying it. That's quite serious. The biggest question is this: is all this ideological indoctrination and discipline really going to make the rank and file genuinely loyal Party members? Or is it just all for show? Is this really the will of one man holding the Party together?

If China really is headed in a different direction, and both Washington and Beijing are growing distant and hostile to one another, could something have been done earlier, in terms of U.S. policy towards China?

MISCELLANEA	
BOOK REC	*The Old Regime and the French Revolution* by Alexis de Tocqueville
FAVORITE MUSIC	Classical music
FAVORITE FILM	*Doctor Zhivago*
PERSONAL HERO	Franklin D. Roosevelt

I don't think the U.S. could have done a thing about the Communist Party's succession plan. Even the Party did not know how it was going to work out. As you may recall, in 2007, there was a very close call about whether the leadership would pick one candidate versus another [Xi Jinping or Li Keqiang as general secretary]. During the Obama era, regardless of his policies, China was going down that path. And the U.S. was not energized enough. Could a tougher U.S. policy have emerged in the second half of the Obama era? I don't know. The second half of the Obama administration, especially after the South China Sea and the development of artificial islands, the U.S. needed to work with China on many issues, including climate change. And Obama tried to deal with that very delicate balance of issues. He maintained engagement on one side, but he was also stepping up with the "pivot to Asia," and TPP [the Trans Pacific Partnership], and re-energizing military deployment. And yet that was not enough to make China reverse its course. And then, of course, you had the rise of Trump, and all this [tension] accelerated.

Some say the U.S. fell asleep, and did not recognize that Beijing was growing more antagonistic and aggressive, with IP theft, with military buildups and cyber attacks, etc. Do you think that's the case?

No. I would say on security issues the U.S. was always awake. The U.S. never had illusions about China where security was concerned. When you look at the 1990s, did the U.S. weaken its security alliances in order to accommodate China? No. The U.S. reached out to India. As soon as the Cold War was over, the U.S. reached out to Vietnam. The U.S. also

strengthened relations with Japan, and maintained forward deployment. There was always a strategic hedging component in America's China policy. The U.S. also maintained restrictions on technology transfer to China. Computer chips are just the most obvious example. The U.S. wanted to ensure that China would be two to three generations behind in semiconductor technology. On many issues, the U.S. never fell asleep.

Now what is debatable is to what extent the U.S. market should be open to China in a way that China's own market is not open to U.S. goods. On that issue, there are legitimate arguments that the U.S. should have pushed China harder on economic opening, rather than engaging in endless economic and strategic dialogues. And the U.S. lost a lot of leverage on human rights after China was admitted into the WTO. There was not that much push inside the U.S. for action on human rights. The case for a fundamental re-think was more ambiguous before Xi Jinping and a case did not exist in the 1990s. The situation was more complex in the 2000s. I keep reminding people that when George W. Bush entered the White House, the neo-cons' [neo-conservatives] primary target was China. They wanted to have a showdown with China. And then 9/11 intervened, and the same neo-cons decided it was better for the U.S. to invade Iraq. That gave China a decade. It's not that China did not earn its decade, that golden decade of rapid development, the neo-cons gave it to them.

Let's talk about the subject of your forthcoming book, China's surveillance state. What is it and how did it come about?

Actually, the Communist Party had built a very extensive, very well organized framework for social control in the 1950s. And that framework has basically survived intact; and technology has strengthened this capability tremendously. The Party has probably the most well organized surveillance state in the world, involving various bureaucracies and a "whole of society" or "whole of government" approach. The recent acquisition of new technologies has just made this a really formidable apparatus

Are you referring to the hukou system that was put into place decades ago to restrict where people live and work but also to control their movements?

Yes, the hukou system and the population classification system, but also one that identifies certain people as targets of surveillance, based on their political affiliation or activities. During the Maoist era, more than 20 million people were designated as targets of surveillance. They were called "four category elements." And that system ended in the early 1980s. The targets of surveillance today are called key populations or key individuals. They're in the police database. Police, local neighborhood committees and village officials monitor their activities. And there was a dedicated department in the police called "domestic political protection," which is responsible for surveillance of political targets.

Is that within the Ministry of Public Security?

Yes. The Ministry of Public Security has this department, called Bureau No. 1. Sun Lijun used to be the director of that bureau. The No. 1 department in all local public security bureaus is for political security protection. That's the department in charge of domestic surveillance.

Former public security vice-minister and top cop Sun Lijun, who was expelled from the Party last September for alleged corruption. *Credit: CCTV*

Do we have a good sense of how big the operations are, and how much money is spent on this type of thing?

No, we don't. They don't disclose the number of people assigned to this department. I managed to get a few pieces of data from local police reports. My guess is that at a county level or district level bureau there are about 10 to 15 people. So altogether, China probably has about 100,000 officers in charge of domestic political security, if I have to guess. Their

basic task is to recruit informants, coordinate surveillance and investigate high-priority targets. The Chinese system is superior to any other police state because the Party is heavily involved in many aspects of society and the economy.

And how much state surveillance goes on?

You have what I call routine surveillance, and then high value surveillance. Routine surveillance generates basic information the government needs to know. You have routine procedures to detect, track and record the activities of its citizens.

Let me just give you three simple examples. If you go to a hotel in China, the moment you register, your identity information is automatically transmitted to the police. In addition, the police designate certain workers in a hotel as informants. Their duty is to report to police suspicious individuals. So that's routine. If you check in, these people don't know who you are. But since you're a foreigner or somewhat suspicious, they're going to report you to the police as a protocol. So that is what I call a standard policing procedure in China. The police in other countries do this too.

Pei with Chris Patten, the last British governor of Hong Kong, 2008. *Credit: Courtesy of Minxin Pei*

But in China, if you are running a print shop, you're designated as so-called "special industry." You get a license from the police to run your shop. And you get another license from the state administration on commerce. The police will inspect your business regularly. So you have a special duty to report suspicious activities to the police. This is also routine. Another routine procedure involves the internet. There are three ways you get on the internet in China: at home or from your phone, which can be tracked right away because your IP address is fixed from home. You can also go to an internet cafe or use public WiFi. They [the authorities] have requirements that if you run an internet cafe, you have to install a national ID card reader. The moment you go to an internet cafe, they say, "Well, we're not going to let you use the computer unless you put your national ID card on this reader." This card reader instantly records your identity and sends it to the police. The police would then know who is using which computer. These are all routine procedures of surveillance. We're not even talking about the latest technology, like facial recognition or WiFi sniffers. They can track your every moment.

Now high value targets are treated differently because the government watches them very carefully. The police follow different procedures in monitoring them. Officers from the political security protection unit will visit them regularly. They would be placed under very intense surveillance measures during sensitive periods [like the anniversary of the Tiananmen Square killings]. And their phones will be tapped.

And what are the implications of this surveillance state?

It means that during non-crisis periods, the Party can ensure a very high level of social control. What we don't know is how this system performs under enormous political stress, when there's a leadership conflict or when the signal from the center is not very clear, because it's a very top down system. China's system acts very efficiently when there are clear instructions from the center.

Should people outside China worry about spillover, or the exportation of these surveillance tools and technologies to other countries?

No, they can't do that. The system works only with the Communist Party. So they would have to export the surveillance system along with the Communist Party. Only the Communist Party can run this system well. In terms of sheer technical capabilities, their

systems might be competitive in terms of cost and function. But to have the same kind of coverage and the same level of effectiveness, there has to be a human complement to the system — a labor intensive part. The biggest misperception about China's surveillance is that it's high tech. Wrong. It's incredibly low tech. And it's the low tech part that scares me a lot more than the high tech part.

David Barboza is the co-founder and a staff writer at *The Wire*. Previously, he was a longtime business reporter and foreign correspondent at *The New York Times*.
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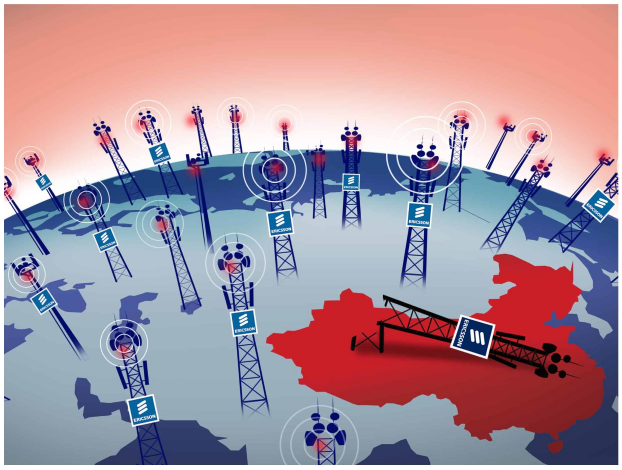
COVER STORY



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