

Research on the Problems and Countermeasures of the Political Absorption Strategies of the Ruling Party to Private Business Owners at the Present Stage

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Abstract: The political absorption strategy adopted by the ruling party for private business owners since the reform and opening up has increased the flexibility and inclusiveness of Chinese political system and played a very important role in maintaining China's political stability. However, with the major changes in the domestic and international environment, the existing political absorption strategies present more and more problems. On one hand, these problems are the continuation of old problems that have long been unsolved by the political absorption strategy. On the other hand, they are new problems caused by the failure of the original strategies to respond to new challenges. The ruling party needs to start from the ideological and institutional levels, and constantly adjust the political absorption strategies for the private business owners. In particular, the ruling party should change its governing philosophy, standardize the boundary of power, adhere to the rule of law, so as to establish an inclusive and consensual consultation mechanism on social interests.

1. Introduction

China's economy has shifted from a high-speed development stage to a high-quality development stage, the economic development speed has slowed down, and the development of the private economy is full of difficulties. The supply-side reform faces some problems and challenges. As the micro-foundation of the market economy, private business owners play an important role in improving the efficiency of resource allocation, optimizing the structure of economic development, promoting technological innovation and the use of its results, and stimulating domestic investment and consumption. Therefore, how to increase political mutual trust and improve the institutional environment for economic development through the political absorption of the private business owner class is a major issue that the ruling party must consider to eliminate the worries of private business owners participating in building a well-off society.^[1] The political absorption strategies of the ruling party in the past have indeed played a positive role, but there are still large problems behind the results. These issues are becoming increasingly prominent and affecting the socio-economic transformation and upgrading. The ruling party must adjust its political absorption strategies on the basis of “firmly grasping the stage characteristics of China's social development”.

2. Problems Faced by the Political Absorption Strategies at Present

2.1 Changes in the Political and Social Functions of Private Business Owners

The political absorption strategy of the ruling party to the private business owners aims to provide a channel for the private business owners to express their interests and power demands, as well as expand their political participation channels so that the ruling party can better understand the development needs of private business owners and correctly grasp the development trend of private economy. In practice, however, spontaneous collective action among business owners is based on the situation rather than the existing shared concerns. It is difficult for the ruling party to obtain effective information about the development trend of the private economic field from the interest demands of private business owners. Most of the private business owners who can influence the ruling party and the government are fighting for self-interest. They have no awareness of fighting for the interests of the group, let alone the public interest of the society. The functions of

private business owners are difficult to play, and the interests of many small business owners have not been taken seriously. The rules and standards of political absorption strategies of the ruling party exclude most of the small and weak private business owners, and the interest demands obtained are mostly the ones of the private business owners who enter the formal system for self-interest. This phenomenon has brought great harm to both the ruling party and the private business owners. On the one hand, affected by the needs of fragmented interests, it is difficult for the ruling party and government to grasp the overall situation of the private economy, and it is also difficult to achieve structural adjustment and industrial upgrading. On the other hand, private market owners, as participants in the market economy, have a hard time grasping the overall situation of economic development. What's more, in the context of economic transition, it is easy to invest in short-term production activities, resulting in homogeneity of production in the region. The ruling party could have obtained comprehensive information in the private economic field through political absorption strategies, effectively guided the development direction of private business owners, and prevented overcapacity and structural imbalances. However, because the private business owners who have entered the system are difficult to objectively reflect the interest demands, and the local rulers do not pay attention to the interest expression and information feedback of the new economic elites, the policy preference actually brings only a few people's short-term benefits.

2.2 Excessive Intervention by Local Governments in the Allocation of Resources in the Economic Field

The Communist Party of China's political absorption strategies for private business owners requires specific implementation by local authorities and personnel at all levels.^[2] In the specific implementation process, the boundary of local governments exercising discretion is vague. Guiding and supervising the development direction of private business owners seems to be a reasonable excuse for local officials to intervene too much in the allocation of resources in the economic field. The political absorption of the ruling party to the private business owners is also dissimilated as the institutional path for the local governments to expand the scope of power. Under the new development background, the excessive intervention of local officials in the economy has created a more serious problem – It has hindered the innovation transformation of enterprises and the optimization and upgrading of the economic structure, which is manifested in three aspects: First, private business owners tend to build informal partnerships with local officials to ward off risks posed by imperfect market mechanisms. It is basically an investment of political capital. It is obviously a non-productive activity. The collusion of the interests of governments and enterprises weakens the incentive for private business owners to gain a dominant position through innovative research investment. Second, the economic activities of private business owners are susceptible to the political preferences of local officials. The slowdown of economic growth may prompt local officials to lean on short-term productive investment projects, thereby occupying the capital investment needed for private enterprises' innovation and development.^[3] Moreover, such political preferences can easily change with the transfer of local officials. In the long-term innovation development activities, if the private business owners cannot predict whether the economic activities of the enterprises can meet the preference of the local government, then they are likely to reduce the capital investment of the enterprise innovation development. Third, the innovation activity itself is cutting-edge which exceeds the current market demand. It faces great market risks, which are aggravated by improper intervention of the ruling market. The government has the power to intervene in the market at will, which leads to the uncertainty of the operating environment and the increase of transaction costs of enterprises. It may make it difficult to commercialize the innovative activities with development prospects of private enterprises, and undermines the confidence of private business owners to engage in innovative activities and economic production.

2.3 Interest Alliances between Private Business Owners and Local Officials

Because the desire of private business owners to develop enterprises is in line with the needs of local officials to develop the economy, the political absorption of the ruling party to private business

owners is easily alienated into the dependency relationship between private business owners and the ruling party. The overlap and symbiosis of the interests of local officials and private business owners has created a space for local elite alliances in many intermittent collaborations that have emerged from political absorption. It should be pointed out that the temporary cooperation between private business owners and local officials may be an effective way to remedy the defects of the formal system and plays an important role in enhancing the flexibility and adaptability of the system, but it fundamentally leads to the adhesion between capital and power.^[4] There is a simple comparison of the scenes of bourgeois intervention in the political field between Chinese modern history and western modern history. In China, private business owners get involve into the political field only to secure preferential security for their own development, that is, to pursue economic interests. In the modern history of the west, the intervention of economic elites in politics is to make certain economic behaviors of a group into legal rights through interest groups. More fundamentally, private business owners in China seek the transformation of capital and power, while western economic elites seek the evolution of capital to right. The transformation of the power of capital fundamentally goes against the intention of the ruling party. The Communist Party of China intended to regulate the interests of private business owners and establish a reasonable institutional connection between the two parties. Private business owners and local officials, however, use the opportunity to compete with the masses for social resources, even turning it into a blatant form of crime. The most typical example is the demolition problem in the process of urbanization. Local governments sell low-priced residential houses to property developers, who then rebuild them and sell them to residents at a higher price. In the huge price difference between low-priced compensation and high-priced sales, the government and developers jointly deprive social residents of their benefits. The political elites gain in the process of social resource trading, which does not necessarily induce the local social protest movement. The key question is, how are the social resources for trading obtained? If social resources are obtained under the condition of depriving the mass, then the process of resource transaction presents a conflict mode between the mass and the elite alliance.^[5] This gathering of self-interested elites hinders the inclusiveness and sharing of economic results and undermines the modernization of social structure.

3. Preliminary Thoughts on Improving the Existing Strategies of the Ruling Party

3.1 Values

On the cultural level, first, the ruling party should have a clear understanding of the functional orientation of private business owners. The ruling party should understand that private business owners are the inevitable result of the market economy in the primary stage of socialism, and their unique growth environment fundamentally determines the difference between Chinese private business owners and the bourgeoisie in the western modern history. If the mention of private business owners heralded discussions about democracy, then one would fall into Mamdani's "history of analogy". The existing researches suggest that private business owners prefer a formal system. They are unlikely to be a reactionary force and rarely demand political change. However, the conclusion that private business owners are unlikely to push for political change does not mean they have lost their political importance. On the contrary, they control a large amount of social capital and human resources, which the ruling party needs to understand and make full use to achieve social development and guide to prevent qualitative changes in the regime.^[6] At the same time, in China's economic structure, the class of private business owners is very divided. It as a whole is likely to be just a "class imagination". It is necessary to conduct more detailed investigations from different perspectives to avoid gaining a one-sided understanding. In particular, the study of many micro-enterprises should be strengthened. Second, the ruling party should define its functional positioning. The communist party of China and the governments at all levels under its leadership, as representatives of public power in China, should act as coordinators and managers when coordinating the demands of social interests and accommodating the needs of social groups, so as to avoid becoming participants in the pattern of interests. Especially in the economic field

where the market operates regularly, the basic role of the market must be exerted as much as possible. The proper intervention of political power in the economic field is only to provide a well-ordered legal environment for economic development. The class of private business owners is a product of the market economy, and the political absorption of private business owners by the ruling party inevitably involves the field of market economy. What the ruling party needs to do is to establish a rational and fair field, to be a good coordinator and defender and only get involved if necessary.

3.2 Institution

First of all, the boundaries of political power need to be regulated and a modern governance system needs to be established. The twists and turns since the founding of the People's Republic of China have demonstrated the grave danger of political power intervening directly in the economy in defiance of market rules. The new generation of central leadership has made some attempts in this regard. An inclusive and open political system will never be a system in which political power covers everything. The ruling party should play the role of leader, guide the group of private business owners to develop in the direction of socialism, never directly be involved in the market, never try to teach everyone what to do and replace the basic role of market law. Instead, the ruling party should harmonize all parties and design the social rules that political power and social capital should follow. In this way, the society can break out of the traditional “strong government-weak society” model, avoid the “weak government-strong society” model of western liberalism as well, and form the “strong government-strong society” model where public power and civil society forces jointly promote development. Secondly, the procedural law and supporting system of political absorption should be improved. A person or a group always carry the historical memory, intentionally or unintentionally retain the previous society's ideas and the behavior tendency. Therefore, conscious cognition is not enough. In the process from consciousness to action, consciousness is often distorted by the actuators in reality. To ensure the effectiveness of the political absorption strategies, it is necessary to form a complete political absorption system for the private business owners. In the process of policy operation, a complete set of legal procedures is needed to strengthen its legitimacy and authority. The important role of governing the country by law was emphasized at the Fourth Plenary Session of the 18th CPC Central Committee. Thus, it is necessary to use regular procedures to ensure the certainty and legitimacy of legal policies.

4. Conclusion

The ruling party is expected to establish a formal channel for communication and coordination between the formal system and private business owners to strengthen the inclusiveness and flexibility of the political system.^[7] However, in real life, the formal political and social functions of private business owners are difficult to play, and they are more inclined to use informal means to solve problems. This regular informal communication has planted the seeds of improper cooperation between local political elites and economic elites, which has led to the adhesion between capital and power, and threatened the interests of other social classes. Moreover, under the circumstance of the gradually improving living environment of private enterprises, the accumulation of these problems has hindered the sustainable development of social economy and harmed the ruling legitimacy of the ruling party in the new stage of social and economic development. The Chinese Communist Party, as China's only ruling party, has shown extraordinary party adaptability in the past. In the face of new economic and social changes, the ruling party needs to translate short-term policies and strategies into long-term systems and procedures. The ruling party should consider the relationship with private business owners from a longer-term perspective, use systems and laws to regulate the operation of political power, and gradually build a mature political absorption system, which requires more scholars' further attention and research.

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