

**THE THIRD WAY: CHINA'S
INTELLECTUAL DISCOURSE ON
DEMOCRATIC SOCIALISM**

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Executive Summary

1. Social democracy is a political ideology that advocates transcending capitalism through democratic means such as election and state initiated programs. In the past few years, democratic socialism has become a major school of thought in China.
2. The Chinese discussion on democratic socialism emerged in part as a reaction to the lack of significant progress in political reform and to the need to eradicate social and economic inequalities spawned by the market oriented reform.
3. Current China's social and economic policy is a revised edition of social democracy. The constitutional inclusion of the "theory of Three Represents" and the protection of private property marked the beginning of democratic socialism in China.
4. Many of the Hu-Wen administration's slogans, such as "a people-centered approach," "building a harmonious society" and augmenting social justice, were inspired by Western and Northern Europe to a certain extent. A growing number of the ideas that were previously identified with social democracy have found their way to "socialism with Chinese characteristics."
5. The CCP has shown itself be a good learner of other countries' experience and past crises, and shifts course when necessary. The Chinese discourse on democratic socialism has helped the CCP adopt some elements of democratic socialism into its social and economic policies, without losing its identity or having to deny its socialist tradition.
6. In spite of the negative consequences of the global financial crisis, China surpassed Japan as the world's second largest economy in 2010 and its gap with the United States is steadily shrinking. Under such circumstances,

democratic socialism with more emphasis on state-led development remains attractive.

7. It is unlikely for the current Chinese leadership to implement the political aspects of democratic socialism given that the spread of democracy could be a challenge to the party-state. Up to now, there is no indication that the CCP will rebrand itself as a democratic socialist party, nor will the CCP implement a multi-party system and competitive national elections.