

Reform in China After Tiananmen Square

by Andrew B. Brick

These are busy days for so-called China experts. Under an open sky, in a square that symbolizes China's spiritual and political center, elements of the People's Liberation Army declared war on the people. It was an act that undoubtedly will become a prominent landmark in Chinese history. And it is an act that begs explanation.

But in the China field, explanations come by the dozen these days; rumor the only commodity that circulates with greater currency. If the events in Beijing have affirmed anything, it is how little we know about the People's Republic of China; it is with good reason that China is perceived as the other pole of human existence.

Thus, keep in mind that I come to you principally as a well-meaning rumor-monger; rumors being the stuff from which China analysts are made. In this sense, I believe we China hands are much like gypsies: if you ask five China analysts the same question, you'll get five different answers; but if you ask one China analyst the same question five times, you'll also get five different answers. When I recently lamented the state of my profession to one colleague at The Heritage Foundation — decrying the prognostications that were now being passed on the prognosticators — he, a former ambassador to the United Nations, coyly responded: "You need not be correct in your predictions, Drew, but you must be able to convincingly explain why you were wrong."

Against the backdrop of recent events, the wisdom of such advice endures. It also lends a necessary perspective that helps me maintain my sanity.



What the particulars were that drove the leadership in Beijing to employ such violence on their people in Tiananmen Square, nobody knows. Most likely, it was a confluence of factors, ranging from economics to politics, history to sociology.

Over the last decade of reform, China has been a nation that has steadfastly sought a balance between development and modernization on the one hand and political control and authority on the other. China had to modernize. The communist leadership fully acknowledged that — even the hardliners. But change could not call into question the authority of the Communist Party. It had to be the ultimate, unassailable arbiter of reform.

Supreme Party Rule. Over the last few months, however, it has become deadly clear that China — and, in particular, the leadership in Beijing — has been trying to reconcile the irreconcilable. Deng Xiaoping, China's 84-year-old paramount leader, and his colleagues have wanted the certainties of a centrally planned economy and the dynamism of free enterprise, without the rigidities of centralism or the uncertainties of freedom. What they searched for was a modern nation where their party — their ticket to authority — would forever rule supreme.

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But when the students took to the streets in mid-April, they were the walking, protesting, shouting, and demonstrating embodiment of the dilemma in which the leadership found itself. The students called for an end to corruption, an end to nepotism, and greater freedom for the press in order to expose these evils and bring them into the light. Although the students said they wanted the changes to come through the communist system — arguing that it was the only viable institution to implement change in the People's Republic — their demands inherently challenged the foundations of communism in China. Why? Because they demanded accountability from their leaders. In a nation where the goal of politicians for centuries has been to hang on to the power they have accumulated and to gird it by placing their offspring and proteges on the rungs below them, such calls for “democracy” surely rubbed a raw nerve. For the communist leadership, the democracy movement in Beijing became the ultimate matter of state: a threat to the very existence of the regime.

“Us or Them.” This is made clear not only in Deng Xiaoping's June 9 speech, now endlessly repeated on Chinese TV and in factory “study groups,” but in a pre-massacre speech of President Yang Shangkun, one of the principal architects of the Tiananmen slaughter. In that speech, Yang told his military commanders that “retreat means the downfall of the People's Republic of China and the restoration of capitalism.” Us or them, Yang was saying. The leadership in Beijing chose accordingly.

When you lose authority — or the ability to command people because they believe in you — you only have power — or the ability to command people because they fear you. In the West, we call this a crisis of political legitimacy. In China, it is called losing the mandate of heaven.



Although it is not possible to say all is normal again in Beijing, it does appear that the leadership is strenuously working to consolidate their authority in order to get the country back on the path to normalcy. Yet by rounding up suspects and students, one cannot help but get the impression that this is a leadership under siege. Said one Chinese philosopher: “Fell the trees while you can or you'll run into them on dark nights.” There is a lot of chopping in the forest that is China today.

Clearing the political path, however, may be the easy part for this hard-line leadership. This is because there remains one hulking obstacle that might prove far more difficult to clear: the economy.

Catalyst for Next Stage. China has been a nation with major economic problems for the past year — raging inflation, a severe credit shortage, bottlenecks in transportation and energy, low industrial productivity, and slumping farm output. As the turmoil continues, critical economic issues are deteriorating from neglect. By the time any leadership turns its attention to the economy, any policy initiative, good or bad, may come too late. Watch for this to be the catalyst to the next stage of events in the PRC.

In such light — and for the sake of being provocative — I'd like to propose that China is on a course for a de facto economic partitioning. Three important factors fuel this theory:

First, as has become evident over the last few weeks, there is a void of leadership in China at the top. If recent events in Beijing reaffirmed anything, it was the importance Deng Xiaoping represents as a force around which power and policy must be built in the PRC. He has been the glue that has kept all the pieces (that are China) from flying apart.

He obviously cannot last forever. And I do not believe there is any individual who can effectively fill his shoes and maintain a power base sufficient to rule China after he is gone.

Second, there exists no unifying ideology around which the nation can rally. The Communist Party — not to mention communism — is bankrupt in the eyes of many Chinese. It is a corpse. And the violent slaughter of innocents in Beijing, conducted in the name of communism, will eventually haunt the Communist Party of China. Indeed, the massacre in Tiananmen is further evidence of an emerging fact: that revolutionary legitimacy in the communist world appears to have a finite life span of one generation, the generation of the original revolutionaries. When the successors claim their mandate from revolutionary fathers, they are likely to run into a million objectors in a Tiananmen Square.

And third, when revolutionary legitimacy disintegrates, power breaks down and factionalizes. We may have seen the initial tracings of this fate in the recent crisis in Beijing. It is possible that what aroused the party elders onto the warpath was not so much the student demonstrations, but rather the extraordinary public disagreement between Deng and former party chief, Zhao Ziyang, over how to deal with them. Such disagreement violates the central tenet of communist rule — no intraparty factions, no dissent. A faction means opposition and opposition means contention and contention is the very seed of democracy. The point here: despite the present efforts in Beijing to redefine the events in Tiananmen Square and re-establish authority, the center of Chinese politics is extremely weak.

As befits a nation with a history as long and rich as China's, it is not surprising to see that partitioning is not unprecedented. China has known territorial division before. It has been ruled by local power barons and has been dismembered by foreign powers.

What makes the case for economic partitioning especially compelling now, though, is that in the last ten years of economic and political reform, we may already unknowingly have sighted this kind of future in China.

Today, it is increasingly difficult to speak of one China. In fact, there probably are several Chinas, as the nation has effectively divided into regions of economic self-interest. Prosperous Guangdong and Fujian provinces have become China's gold coast. Sichuan and Hubei comprise the breadbasket of China. There is the industrial corridor that is Manchuria, extending from Beijing and Tianjin through Liaoning province. And finally, there is the western frontier — the lost areas of the Middle Kingdom, comprising provinces mostly in name, hardly in spirit.

Trickle Down. Over the last decade of economic modernization, China's leadership counted on a trickle-down theory of wealth. By concentrating development on the more prosperous eastern seaboard, the leaders in Beijing thought the riches would spread, slowly but steadily, to the barren west. In the end, however, the plan produced locally entrenched economic and political interests. Corruption and self-interest skyrocketed as regions protected and hoarded their products, wealth, and resources. The nation's weak internal trade, transport, communication, and marketing networks only exacerbated the problem.

These feifdoms have been particularly evident in recent months. Since late last summer, for instance, China's efforts to recentralize economic decision making and harness its runaway inflation have proved futile. The reason: regions have greater allegiance to their local leaders than to the leadership in Beijing and have sought to protect what is theirs. Indeed, there have been documented cases of some provinces using local militia to patrol

provincial borders to prevent the movement of natural resources deemed vital to the production of the area's goods.



The neoconservative columnist Charles Krauthammer has observed that "in this age of communist collapse, it is an irony to be savored that Marxists, who pride themselves on having deciphered the laws of history, should have so impaled themselves on an iron law that dates back to at least 1789: kingdoms fall when they start to reform." For the Chinese communist leadership, the writing on the wall could not have been clearer.

Rebuffing the Experts. Take, for example, August 6 last year. The *People's Daily* — the Chinese Communist Party's principal newspaper — ran a story about the rude greeting three Beijing experts in ideological education received from an audience of students in Shenzhen, near Hong Kong. Unimpressed with the experts' message, the students frequently interrupted. Said one student: "There is no market for you to come here and indoctrinate. We will never listen to what you have to say. We are here to make money. There is no such thing as [communist] ideals or making contributions to the state."

A little more than a month later, on September 14, the *People's Daily* published some of the "many" letters they received concerning the incident in Shenzhen. Noting the diverse reaction to the story, an editor at the paper temporized. Said he, in very Deng-like speech: "it is not necessary to draw conclusions on these problems now...practice is the sole criterion of truth. When we look back at this after several years, perhaps everything will be clearer."

Opening to the West. It did not take several years to become much clearer. The demonstrations in Beijing over the last two months came ten years into Deng Xiaoping's massive liberalization, which saw not only a radical freeing of parts of the Chinese economy but a dramatic opening to the West through travel, tourism, modern communication, and student exchanges. Think about the amazing broadcasts you and millions of Chinese watched from Beijing, as citizens there filed into the streets in protest. Think about those 40,000 Chinese students studying here in the United States. Think about that shirt you throw on your back that's labelled "made in China." Think about fax machines as a conduit for Chinese protest. Think about modernity.

Now, think about China a decade ago. Over the last ten years, China steadfastly has sought to modernize itself simply because it had no other choice. Chinese society, technology, and culture were static. The people were starving. The nation was backward. The Middle Kingdom was in the middle of nothing, simply defining the western edge of the Pacific Basin, arguably the world's economically fastest growing region.

What the Chinese leadership failed to calculate as it plotted its course of development, however, was another iron law of history: in conditions of modernity, totalitarianism cannot survive. Dictatorships thrive when there exists no social, technological, or cultural progress. But when you trade with the world for toasters and TV sets, you also get ideas and ideals. In the end, modernity proves to be the seed for political consciousness.



The U.S. played a vital role in molding the political consciousness of China. Over the last decade, the U.S. has made an extensive economic and social investment in China, resulting in a wide array of Sino-American scientific, technical, and cultural contacts. It was not by accident that the Goddess of Democracy, erected by the students in Tiananmen Square and

giving the old Italian salute to Mr. Mao, bore a striking resemblance to the Statue of Liberty.

U.S. policy makers should keep this in mind as they craft a response to the massacre in Tiananmen Square. Clearly we must express our repugnance at and condemnation of the Tiananmen Square slaughter. But as we seek to express our outrage in more than some rhetorical way, we must ask ourselves two very important questions:

- 1) **Will our actions bring about a desired political outcome?**
- 2) **Will our actions materially help the people we want to help?**

Unfortunately, the answers to both questions necessarily tempers the American response.

China is very important to the U.S. for several reasons. A China with constructive ties to the U.S. has proved a force for stability in Asia and the world. China is the largest continental nation in Asia, bordering some of the globe's potential flashpoints. To its south sits war-torn Southeast Asia. To its west is Afghanistan. And China shares an almost 5,000 mile border with the Soviet Union. While it no longer is correct to talk about playing the "China card," the PRC's siding with the U.S. against the Soviet Union nevertheless remains an extremely important element in Washington's geopolitical calculations. Indeed, over the past decade, the U.S. and China have laid the groundwork for resisting Soviet initiatives in Asia that challenge our common interests.

Price for Authority. Such shared interests, however, cannot detract from the fact that the U.S. has very limited leverage on the PRC. In spouting anti-foreigner rhetoric last heard during the Cultural Revolution, a determinedly xenophobic regime such as Beijing's is unlikely to pay much heed to official reprimands from abroad. And when it comes to matters of state, hardliners will be even more impervious to foreign protest. Indeed, it is foolish to think that Deng and his comrades did not know their repression would come at significant cost in international and economic terms. What was at stake was their authority. They obviously were willing to pay the price.

Which means of course, they deployed their armies in Beijing knowing full well that sanctions would be forthcoming. Sanctions — which are diplomatic actions fueled by moral outrage — must be approached in much the same manner as war: decisively and overwhelmingly. In these times of a global marketplace, moreover, sanctions must be a concerted international effort. The objective is economic and/or political asphyxiation. Any holes must be plugged. Leakage means failure. For the West, I am afraid, leakage also would be inevitable. Considering its attention span, it is unlikely that the West's words would for long be matched by its deeds.

Developing A Response. In such light, Washington correctly used the following criteria in developing the American response to the events in Beijing: The U.S. response must not injure the U.S. more than China; it must not injure the Chinese students and people more than it injures those Chinese leaders responsible for the slaughter; it must not give Moscow a chance to undermine Washington's ties to Beijing; and it must not weaken those forces for reform that have sparked the Chinese democracy movement.

Among the Administration initiatives, which have now essentially been mirrored by congressional action:

◆ ◆ Suspension of exports of items on the United States munitions list, including arms and defense-related equipment, to the PRC.

◆ ◆ Suspension of high-level government-to-government contact between the U.S. and the PRC.

◆ ◆ Extension of visas of nationals of the People's Republic currently in the U.S.

◆ ◆ Instructions to U.S. representatives to international financial institutions to seek delay in the consideration of loan requests to those financial institutions that would benefit the PRC.

◆ ◆ Suspension of issuance by the Overseas Private Investment Corporation of new insurance and financing of investments in the PRC by U.S. investors.

◆ ◆ Opposition to further liberalization of the guidelines to COCOM, an informal organization of NATO countries plus Japan which seeks to harmonize export controls, regarding trade with the PRC.

◆ ◆ Suspension of licenses for the export of U.S.-manufactured satellites for launch on launch vehicles owned by the PRC.

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For many Americans, such actions do not sufficiently express the outrage they feel at the events in China. For them, the U.S. response has not gone far enough. It does not become a nation of America's stature to impose such limited sanctions, such as suspensions of loans or reviews of policies. There must be, they argue, a greater cost to such repression.

There is a cost. But it is a cost that is predominantly accrued in China, not imposed by Washington. It is the cost that comes in the form of a sullen work force, disenchanted with a regime that pays salaries with I.O.U.s and bonds redeemable in three years. It is a cost that comes with an alienated intellectual class, hunted down and silenced today, destined to rise as martyrs tomorrow. It is a cost that comes with a society whose expectations, both politically and economically, have been sufficiently raised by its contacts with the outside world to know that there does exist a more accountable means of governance and a better way of life.

Death of Communism. Which brings me to my final point: China is further evidence that reform communism may prove to be communism's last stage. Why? Because a communist state that reforms fundamentally alters the way a communist society looks at itself. Said China's most famous dissident, Fang Lizhi, now taking refuge in the U.S. Embassy in Beijing: "the Maoist years were devoid of change or progress, but we Chinese accepted this because we had no basis for comparison. The last ten years of reform, though, have provided us a standard for comparison and the distance between our nation and the most advanced societies of the world provides insufficient reason to sing any praise." In a technological age, where the social, political and economic habitats of a nation are defined by change, communism will die.

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