

INSTITUTE OF CURRENT WORLD AFFAIRS

CHINA'S FALSITIES & CHINA'S FUTURE**Part III****"Political Forecast:
A Little Knowledge Is A Dangerous Thing"**Shanghai, China
February 1994Mr. Peter Bird Martin
Executive Director
Institute of Current World Affairs
4 West Wheelock Street
Hanover, NH 03755
U.S.A.

Dear Peter,

In May 1990, when the former Soviet Union was undergoing fundamental changes, Walter Laqueur, a student of Russian politics, wrote an article entitled "Forecasting the Soviet-Russian Future" in the British journal Encounter. The author expressed his hesitance to make political predictions about the Soviet Union:

Political predictions are easiest to make when they are least needed, when the political barometer points to continuity. They become more difficult at a time of rapid and violent change. For those putting safety and caution above everything else, comment on the present situation in the Soviet Union is a subject to be shunned.

I feel exactly the same way when I start to write this newsletter about China's political future. During the first few decades of the People's Republic of China, nothing seemed possible except perpetuation of the status quo. No one would have the slightest doubt about the continuation of socialist planning in China's economy and the Communist rule in political life of the country. Today, however, there are a variety of possibilities.

Cheng Li is a an ICWA fellow studying the political economy of the coast of China.

Since 1925 the Institute of Current World Affairs (the Crane-Rogers Foundation) has provided long-term fellowships to enable outstanding young adults to live outside the United States and write about international areas and issues. Endowed by the late Charles R. Crane, the Institute is also supported by contributions from like-minded individuals and foundations.

Don't let any Western "China watcher" tell you that he or she knows for sure what will happen in China when Deng Xiaoping dies. No observer, whether in China or abroad, knows which individual leader or political faction will succeed to power, how the post-Deng China will be ruled, and what the prevailing mood of Chinese society will be.



A scene at the gate of Jing An Temple on Nanjing Road, Shanghai. This is the morning of the Spring Festival, Chinese New Year. Two very long lines of people are waiting on the two sides of the entrance to get into the temple to "prostrate themselves before the statue of Buddha." People make their New Year's resolution there.

All other temples are crowded with worshipers on the eve of the Chinese New Year's day, though some temples charged worshipers large admission fees (100 yuan or US\$12). The number of worshipers, however, has increased significantly over the past few years.

"We like to come to a temple to pay our tribute to Buddha on Chinese New Year's Day, especially during the time of uncertainty," a middle-age worshiper said to me.



A young couple are burning joss sticks before the statue of Buddha at Lingying Temple, Hangzhou. I ask them what wishes they want to make.

"Peace and prosperity" the woman tells me.

I think I understand them. After century-long poverty and turmoil, the Chinese people long for peace and prosperity. Post-Mao reform in the past 15 years has given them great hope for the future.

One may reasonably assume, however, that power struggle has been going on in the Chinese leadership, and it will become even more acute in the years to

come.

“When politicians in China talk about unity you can be almost certain that they are in the midst of a great deal of disunity,” a friend of mine told me this “important rule” as both of us happened to see a propaganda slogan on the TV screen claiming a great unity among the Chinese leadership.

But we do not know how Chinese political elites will split.

A potential claimant to power and authority after Deng has more information about the succession processes and factors than distant observers can garner. And political leaders in China use this better information – and can change it by shifting their loyalties, to affect the outcome. This means that even Chinese political leaders themselves cannot claim sureness in knowing the formation of political factions or predicting characteristics of the post-Deng China. Any ambitious and wise politicians in the Chinese leadership, as I discussed in my previous newsletters, have likely kept their political desires and visions hidden during this time of uncertainty.

An emphasis on the difficulties in predicting China’s future may disappoint those who expect certainties, but it can also be seen as an intellectual challenge and an encouragement for those who search for possibilities. As Walter Laqueur has reminded us, “If a man will begin with certainties, he shall end in doubts [Francis Bacon’s words]. If he starts with possibilities, however, he may end in probabilities.”

Nicholas Kristof, who had completed his five-year tenure as the New York Times’ Beijing bureau chief, wrote an imaginative article in the paper prior to his leave last fall. In this predictive and semi-fictional piece, Kristof described three possible scenarios in China for the year 2000: 1) the authoritarian and military regime, 2) the quasi-democratic state, and 3) a country under civil war and vast upheaval (The New York Times Magazine, October 3, 1993).

In the first scenario, the new regime would systematically violate human rights in order to maintain its dictatorship, although under the cloak of anti-Communism and anti-corruption. In the third scenario, China would fall apart just like a broken vase. Millions of people would die in a civil war, the authorities in one province would blow up a great dam, for example, threatening the lives of a million people in another province. At the same time, a disintegrating China would spew its debris over the entire Pacific-Asian region. Millions of Chinese refugees would begin to flood onto the shores of Indonesia, Thailand, Australia, the United States, and many other countries.

Kristof concluded, however, that the second scenario – emergence of a “prosperous quasi-democracy” – would be the most likely outcome as China enters a new millennia. According to Kristof, Deng’s death may well accelerate and consolidate the process of rapid-fire economic development and more measured political liberalization in the country. China in the year 2000 would be like South Korea, or Taiwan, in late 1980s.



On the eve of Chinese New Year, firecrackers were heard in all parts of Shanghai. In the evening news of the Central China Television, Deng Xiaoping was reported to be celebrating the eve of Chinese New Year with his family and local officials in Shanghai. Although Deng seemed not in good health on the TV screen, the previous rumor about his death was clearly wrong. People in Shanghai were happy to know Deng came to their city for the Spring Festival.

When the clock turned to midnight, the entire city resembled a war zone, similar to what we saw on TV during the Gulf War. Shanghai is one of a few major cities in China where fire-crackers are still not banned.

A scene of garbage heap which contains mainly the remains of fire-crackers, taken near my apartment building on Chinese New Year's Day.

Some people in the West have criticized Kristof for his effort to make “sensational journalism,” which is believed to be “mostly apocryphal,” but I think that Kristof’s approach is admirable and his analysis is thought-provoking. I talked to quite a few Chinese here in Shanghai who had read or heard of Kristof’s article. Although some of them told me that some descriptions in the article were unlikely, none of them thought that any of the three scenarios provided by Kristof was impossible or groundless.

Kristof has brought our attention to the importance of political succession in China. This matter is not only crucial to the fate of one billion Chinese people, but also closely related to the security of the entire world. We need to be aware of some moral dilemmas involved in the process of change in China today. The changes now under way in the PRC, similar to those in many former Communist countries in East Europe, may bring suffering, and that suffering may bring cries for relief and demands for new directions. As James Rule, a student of former Communist regimes, has recently noted, the “institutional forms through which these tensions will be expressed are not yet in place” in most post-Communist states.

Unlike many Western visitors in China, Kristof has not been deluded by China’s falsities or superficial events happening in the country. Too many Western visitors are, returning from three-week trips to China, ready to tell the world what they have found.

“No poor people!”

“Every Chinese is happy!”

“The China market is great!”

These Western visitors become “instant China experts,” as Michael Frolic, a sinologist, has described.

I remember that an American friend whom I met at Princeton told me his experience as a consul in a city of East Asia.

“Many tourists apply for visas to the United States from East Asia every year. I routinely asked applicants: ‘Why do you want to come to the United States?’ Nine out of ten times, you would anticipate their answer: ‘I want to visit Los Angeles [what they really meant was Disneyland, my friend added] and I want to see America.’”

“Most of them have actually only visited Los Angeles and Las Vegas, but they feel they have seen the United States,” my friend made a very good point.

Similarly, after having lived in China again for almost four months, I have come to realize how easy it would be to come back to Shanghai for a few days and write the sort of interesting “insight” view that gets it all hopelessly wrong. I sometimes wonder how much a foreign business executive can know about real life in China after one or two brief trips to the country. In Shanghai, for example, if one lives in a five-star luxurious hotel, walks along the beautiful Bund, shops in

nice commercial streets such as Nanjing Road, takes a taxicab instead of a crowded bus to a distant place, dines at fancy restaurants, and drinks real X.O. cognac, one's view of the city must be wonderful.

Last fall Morgan Stanley hosted a tour of China for leading US and European fund management groups, whose combined funds under management amount to about 400 billion US dollars. The tour participants visited four major Chinese cities including Shanghai and met top Chinese government and financial officials as well as Chinese entrepreneurs. The key conclusion of the tour was that investing in China's future will be the world's most profitable investment opportunity for the next ten years. (China! Report on the Morgan Stanley Tour of China, Autumn, 1993, p. 1).

Although the report provided a variety of important data and sound analysis, some of the statements in the report were astonishing. The head of the group, famous economist Barton M. Biggs, for example, expressed his impression of Chinese political elites in the following remark: "the Chinese politicians we met all looked terrific. Lean, vigorous, worked the crowds. ... These people are interested in power, not wealth (p. 15)."

I suspect that Deng Xiaoping would not make such a remark to endorse his junior colleagues. Ironically, two months after releasing this report, Morgan Stanley withdrew its huge investment in Hong Kong due to some political problems in China. Business people in the Far East called this event as the "Morgan Whirlwind."

I remember that I lent Report on the Morgan Stanley Tour of China to a colleague of mine in the field of Chinese studies in England when he was visiting Shanghai. After reading the report, he returned it to me with a small yellow paper on which he wrote "A Little Knowledge is a Dangerous Thing." I told him immediately that I wanted to use this English saying as a title for one of my newsletters.

A little knowledge is a dangerous thing, especially when one studies China, whose land is so vast, whose history is so long-standing, whose culture is so subtle, and whose socio-economic structure is so complex. English poet Philip Larkin made his point in a dramatic way: "I wouldn't mind seeing China if I could come back the same day."

Since I returned to China last fall, my experience has been limited exclusively to the city of Shanghai, though I plan to take several long journeys to all parts of the country, especially its coastal area, in the coming months. Even within Shanghai, I have already experienced diversities in terms of people's living conditions, their worries and concerns, their values and views.

The conclusion provided by the Morgan Stanley report may not be completely wrong. Shanghai's economic development and urban construction in

recent years, as I have illustrated in my second newsletter, are truly remarkable. The city completed more municipal works in the past four years than it did in the previous four decades. Shanghai residents have enjoyed a variety of goods in the Shanghai market which they could not imagine just a few years ago.

Progress is real, so are problems. Corruption, inflation, and polarization have grown to such serious degree that many people here in Shanghai worry they may ruin all of the achievements made in the past decade. The inflation rate, for example, reached 24 per cent in China's major cities and 18 per cent in the entire country last December. Furthermore, the "cult of money," the "short-term behavior," the penetration of falsities in society, and mediocre work performance are all disturbing phenomena which may cause even more serious problems. In addition, the big question concerning China's political succession is in everyone's mind.

An overheated enthusiasm about the China market, while overlooking serious problems in the country, is dangerous. Unfortunately, both the business circle and the mass media in the West have indulged in "China fever" since the middle of the last year. Many leading magazines and newspapers in the United States and Europe have published series articles about "When China Wakes," "China's economic miracle," "the Economic Giant for the 21st Century," etc.

This is even more astonishing if we realize that only a few months earlier, the Western media, especially its TV programs, talked about virtually nothing but the "Tiananmen incident" when they referred to China. Many Western commentators had left the audience with the impression that China was a hopeless Communist regime that had hardly changed at all and would probably not change in the foreseeable future. These simplistic images have a strong impact on both the American public and governmental policies.

A student who took my course on Chinese Politics at Hamilton College last spring wrote the following words in her essay:

Prior to taking this course, my knowledge of China and the Chinese had been limited to fortune cookies in Chinese restaurants, or what my grandparents told me when I as a kid did not want to eat: "You better eat, small children in China are starving," or the Tiananmen Massacre which I saw on television four years ago.

All of a sudden, the country whose "small children are starving" has turned out to be an "economic giant." This economic giant, according to the American media, will surpass Japan and the United States and become the greatest economic power in the world in a couple of decades. The strongest remaining Communist regime in the world has rushed towards capitalism overnight! I often wonder how the American public has adjusted to drastic changes in the media coverage of a foreign country such as China.

Harry Harding, a distinguished China expert from the Brookings

Institution, observed in the early 1980s that American attitudes towards China often underwent “regular cycles of romanticism and cynicism, of idealization and disdain.” The idealistic rhetoric of the Cultural Revolution created a period of pronounced fascination with China in the American public that lasted through most of the 1970s, although this was still an era under totalitarian dictatorship. “The Maoist vision of egalitarianism, populism, and selflessness”, as Harding described, seemed attractive to many Americans. (Asian Survey, Oct. 1992, pp. 934-958).

In 1972, for example, John King Fairbank, a historian at Harvard and the dean of American sinology, wrote in Foreign Affairs that “the Maoist revolution is on the whole the best thing that has happened to the Chinese people in many centuries.”

The famous American writer Saul Bellow, however, was far more sensitive to what was going on in the world, especially in some totalitarian regimes. He wrote persuasively:

How much of this is known in the free countries of the West? Information is to be found in the daily papers. We are informed about everything. We know nothing.

Saul Bellow wrote these words in 1976, when China's Cultural Revolution was still going on. Although he did not specifically refer to the Cultural Revolution, this extraordinary event, as well as Westerners' ignorance of it, was undoubtedly in Saul Bellow's mind. He has brought our attention to the paradox that, while modern communication knits the world more closely together, while we can see around the world in seconds and fly around the globe in hours, its people continue to be separated by national borders and to be ignorant about each other.

Bellow's generalization was even more vividly echoed by another American author John Naisbitt, who wrote in the early 1980s that “We are drowning in information but starved for knowledge.” According to him, since the middle of the 20th century, information has expanded at an exponential rate, while wisdom lags sadly behind.

“The world is not yet a global village,” a former college classmate of mine who has worked for the Radio of Beijing on an Esperanto program said to me. She asked me: “How many Indian television programs or Indonesian radio programs, for example, have people in the United States seen or listened to lately?”

“Probably none,” I answered. At least I haven't seen or heard of any such programs in the United States.

Since China began to open its door in the late 1970s, many Westerner, including a great number of journalists and scholars, visited China. Chinese politics has never lacked attention, or media coverage, in the West. But the Western media's reports of China are still filled with misperceptions and misinterpretations. In the early 1980s, for example, when China was making

significant progress in many aspects, the American image of China became increasingly negative. Harding noted:

There is somewhat more liberty, more justice, more dissent, more stability, and slightly higher standards of living. And yet, despite these improvements, the American image of China has, by any large, changed for the worse.



Professor Lynn White, my mentor and good friend, visited me in Shanghai in January. I first studied under him at Princeton University in 1987, and have continued to work with him as his assistant and collaborator ever since. He has taught me that we should see China as a country, with one billion people in it, not mainly an intellectual idea. Anyone who views China in terms of any single grand adjective – traditional or modernizing, liberated or totalitarian, communist or capitalist – will not have a solid understanding of China's complexities. Only after I became a college teacher myself, did I understand how much I have learned from him.



Lynn White and his wife Barbara-Sue visited my parents in Shanghai three times during the past few years. They spent almost all of their summers in the past decade in Hong Kong and Shanghai. They live in Hong Kong this academic year, as they did six years ago, while Lynn is on a sabbatical leave and Barbara-Sue is completing her book on the Asian Indian community in Hong Kong.

Early this year my parents were very happy to see them again in Shanghai. It was a real pleasure for my parents and me to host Lynn, Barbara-Sue, their two sons, Jeremy and Kevin, and Jeremy's wife Fiona, a British citizen, at our house. Anyone can see from the photo that we had a wonderful reunion.

Harding's observation was foresighted. American attitudes towards China have indeed gone through a few more "regular cycles of romanticism and

cynicism" in the past ten years, after Harding wrote that thought-provoking article in Asian Survey. The most recent round of romanticism is of course the fever about the China market, which started within the last year.

Although American studies of China have profoundly improved over the past decade, there is a danger that economist Barton M. Biggs and other Americans who are now celebrating the great opportunity of the China market and the triumph of capitalism in the country may understand today's China as poorly as some famous sinologists understood the China under Mao.

The reasons for misinterpretations have varied. Cultural barriers between China and the West, China's domestic events, international events and environment, the role of interest groups in both the United States and China, as well as China's falsities and Western illusions, are all important factors affecting our understanding of China. Euphoria about Maoist China in the 1970s and the current fever about China's economic miracle, as some American scholars have noted, "may have had more to do with American politics than with Chinese politics." Americans' disillusion about the Vietnam War in the 1970s and the current disappointment with economic problems in the West are cases in point.

The above discussion does not suggest that only the Chinese can understand China and foreigners are inherently unable to comprehend Chinese politics. Quite the opposite, probably the best scholars in the field of Chinese politics are not usually the Chinese. A. Doak Barnett, Robert Scalapino, and Lucian Pye, three distinguished members of our Institute, have made great contributions to our understanding of Chinese society. Very few scholars in world politics and Asian studies in China have heard of the name of our Institute, but a great number of them know the names of Bao Dake (the Chinese name for Barnett), Shi Bole (Scalapino), and Bai Luxun (Pye). Their works have been widely read and they are greatly respected here in China.

Whether one can have a solid understanding of China largely depends on one's intellectual sensitivity and seriousness about the subject. I always love to read writings about China by Nicholas Kristof and Harry Harding. They have often grasped the most crucial issues in Chinese politics and told us accurately what is going on in China. But unfortunately, I feel that not many Western reporters and scholars in Chinese studies are as good as Kristof and Harding. Some of the recent writings on China seem to be written two decades ago.

Some misperceptions and misinterpretations in the Western studies of China have reflected ideological doctrines in the West. As Chalmers Johnson, a distinguished political scientist on East Asia and international affairs, has recently noted, one important lesson to emerge from the end of the Cold war is that English-speaking social science is in many cases as ideological as the Marxism-Leninism of the communist world.



John T. Service, a former student of mine at Hamilton College, visited me in Shanghai early this month. John's grandfather, John Service, is the famous American diplomat who went to Yan'an to meet Mao in the 1940s. Younger John became interested in China at Hamilton and he is currently teaching at Beijing Foreign Studies University. John and I plan to visit Yan'an later this year.

"A half-century, two continents, and three generations" – these are the words that came to mind when I decided to share this photo with you. The photo was taken in front of Park Hotel in Nanjing Road.

The prevalent view of China in the West today is still ideology-laden. According to this view, the main conflict in the Chinese leadership in the post-Mao era has occurred between Communist hardliners who want to maintain a socialist planning economy and the West-influenced liberals who intend to move towards capitalist democracy. The 1989 Tiananmen incident, for example, was described as the struggle between "gerontocratic Communist bumpkins" and "younger well-educated reformers."

The main issue for the Chinese leadership, however, is not about the choice between returning to a previous socialist-planning economy or transforming to a conventional capitalist market. The main concern for the post-Mao leadership is the problem of transition – transition to what kind of a mixed economy and what form of political system corresponds to the rapid economic changes.

I recently met an American professor who teaches theories of political science in Nanjing, and I asked him how many concepts in Western studies of Chinese politics are essential or useful as he has more directly observed changes in the country.

"Not many," he responded, "the field of Western studies of Chinese politics is rapidly approaching the time when all the old, accepted cliches about China will become outdated. The least relevant term is probably 'Chinese Communism.'"

"One of my 'findings' since I came to China last fall," he continued to tell me, "is that I have hardly heard of, or come across, the word 'socialism,' let alone the word 'Communism.'"

As instructors who have offered courses on Chinese politics, both of us know that most of our course materials on the present China are unfortunately still filled with such ideological jargon. An European economist wrote pointedly:

The discussions about market and planning, capitalism and socialism, and the arguments for and against them, are intellectually worthless because we do not know what we are talking about.

Socialism, capitalism, and Communism used to be essential concepts in the social sciences. The world split into two major blocks during the Cold War era because of these conflicting ideologies. Millions of the Chinese people – whether Communists or anti-Communists – died for their ideological beliefs and/or political identities. Today, Communist ideology is becoming irrelevant in China, and even the Chinese Communist Party knows it.

"China is no longer a communist country in any meaningful sense." Nicholas Kristof argued in his concluding article on China last fall as the New York Times' Beijing Bureau Chief. He noted that no communist country "has ever so fully embraced stock markets, ... in the 1990s the business of the party is

business.” (The New York Times, Sept. 6, 1993, p. 5).

The Western media have often seen a sharp contrast when comparing the former Soviet Union and China: the collapse of Communism in the former and the prolonged continuation of Communism in the latter. But many Chinese intellectuals, for example, Liu Binyan, believe that the bankruptcy of Communism and socialism occurred a dozen years before the collapse of the former Soviet Union. (Foreign Affairs, Sept./Oct. 1993, p. 20).

Over seven decades ago, Hu Shih, a Chinese thinker in the May Fourth Movement, argued that the Chinese should talk more about “issues” instead of “isms.” Recently, some well-known intellectuals wrote that Hu Shih’s words are particularly relevant to today’s China. Shi Zehong, a scholar in Shanghai, wrote an article, expressing what he learned from reading the recently published Deng Xiaoping’s Collected Work. The title of his article states the author’s main argument: “Development: Present China’s ‘Isms’ and ‘Issues’” (Wenhui Daily, Nov. 26, 93, p. 6).

China is Communist in anything but name. Whether the ruling elite continues to call itself communist, as Andrew Nathan, a distinguished China expert at Columbia University, has argued, is “the least important of the many questions that we can ask about China’s future.” In the present China, inflation is up; trust is down; Communism is out; markets are in. No one seems to doubt that the old political system has to go. But there the consensus ends.

China has been, and probably will always be, a nation of many faces. It currently has the fastest growing economy in the world, but it also has a large number of the poorest people. It cherishes, in John King Fairbank’s words, “the great riches of human personality,” but has little tradition of civil liberties. It is a country so stagnant that the fate of over 1 billion people largely depends on an individual leader, in today’s case, a 90-year old architect of the post-Mao reform. At the same time the country is so dynamic that within 15 years, this state which had been cut off from the outside world, quickly reconnected to all parts of the world and emerged as a major trade power.

Puzzling contrasts can go on endlessly. Unfortunately, our media (some members of the intellectual community as well) have often sought to exaggerate one fact or the other, or to evade facts with a surfeit of oversimplified approaches to events in China. The supreme challenge for students of Chinese politics in the years to come, as Robert Scalapino recently wrote, is that of living with complexity.

This does not mean that each of the contrasting phenomena is always equally important. An awareness of many uncertainties concerning China’s future should not prevent us from inquiring about the possible scenarios. We should ask the right question at the right time with the right emphasis.

A crucial question which should be asked, I believe, is: *if Communism will not hold China together, what will?* The country needs a new vision, a new direction, and a new sense of purpose, besides just making money. But to whom can the nation look?

Although it is impossible to predict how China will be ruled next year and who or which group of leaders will succeed Deng, one can comment with greater conviction about broad political and economic trends in society. My next newsletter will discuss the rise of technocrats in the Chinese leadership, both civilian and military, and its socio-political implications.

Sincerely,



Cheng Li

No. 5, Lane 570
Chang Le Road
Shanghai, 200040, China

Fax No.: 86-21-2474947