

1 *Introduction: Knowing China*

1.1 Why China?

On the evening of 3 June 1989, I rode my bike down to Beijing's Tian'anmen Square, China's political and symbolic centre. I had done so virtually every day since students from Peking University almost two months earlier had posted a giant, black-and-white portrait in commemoration of Hu Yaobang at the Monument for Revolutionary Heroes there. Hu had been secretary general of the Chinese Communist Party (CCP) from 1982 to 1987, when paramount leader Deng Xiaoping sacked him for his support of widespread student demonstrations the year before. Hu continued to serve on the CCP's Politburo, but on 9 April 1989 he suddenly and unexpectedly collapsed from a heart attack during a meeting of that body, dying a few days later. The students' commemorative act of political defiance on 15 April triggered an unprecedented national protest movement that involved at its peak on 17 May more than one million people in the capital alone, rocking the very foundations of CCP rule.¹

My visit to Tian'anmen Square on 3 June was different from my previous ones: I knew it would be my last. Heavily armed units of the People's Liberation Army had already entered Beijing from the Northwest, making their way to the city centre battling largely unarmed and unorganized groups of civilians. Later that evening, other, only lightly armed troops suddenly appeared in streets or intersections much closer to the square, confronting the public in an eerie, silent and ominous stand-off, without moving or trying to do anything. A few hours later, after midnight on 4 June, the army units that had entered the city from the Northwest reached, sealed off and cleared the square. How many students died then and there is still not known. Many more civilians

¹ Pieke, Frank N. 1996. *The Ordinary and the Extraordinary: An Anthropological Study of Chinese Reform and the 1989 People's Movement in Beijing*. London: Kegan Paul International.

had died during the army's march through the city. Communist Party rule had become a military occupation.²

The Tian'anmen Movement – or June Fourth, as it is often known – impressed two conclusions upon me and many other people in China on that day. Despite ten years of reform, communist rule continued to be fundamentally violent, repressive and, in the final instance, based on the Party's control of the army. Furthermore, the Communist Party had lost whatever popular mandate it had and was on its last legs. Its demise would only be a matter of time.

Twenty-five years on, these conclusions have proven to be entirely wrong. From the rubble of military occupation, the CCP reinvented itself as a modernizing, technocratic and largely benign authoritarian regime presiding over thirty-five years of unprecedented economic growth. Violence and repression are no longer directed at the population as a whole but, are limited to specific targets that challenge the legitimacy of the regime, the sovereignty of the state or the integrity of the nation: Tibetan and Uighur separatists, the Falun Gong, dissidents and activists. The army has been professionalized and modernized, the political role of its top brass curtailed.

Two complementary sets of questions have routinely been asked about the CCP's recent successes. Is all this not just a facade, a velvet glove hiding the iron fist of continued totalitarian rule? And if the CCP indeed continues to be just a communist dictatorship, will it then eventually fall, crumbling under the weight of its own contradictions, just like the Soviet Union twenty-five years ago? In other words, will the post-Tian'anmen period ultimately not simply prove to be a stay of execution? Conversely, if the CCP has indeed genuinely changed its spots and managed to put its rule on a new and more solid footing, will the cumulative effect of market liberalization and incremental political changes eventually and unintentionally lead to fundamental political change? Differently put, is reform tantamount to democratization one little step at a time, a fall from power by a thousand cuts?

These are certainly not questions that just spring from the mind of Western thinkers, politicians or journalists who believe that multi-party democracy is the only political system compatible with

² Brook, Timothy. 1999. *Quelling the People: The Military Suppression of the Beijing Democracy Movement*. Stanford, CA: Stanford University Press.

advanced capitalism, the ‘end of history’ proclaimed by Francis Fukuyama during the fall of communism in Russia and Eastern Europe.³ The belief in the contradiction between a socialist political system and a capitalist economy is in fact inherent to Marxist political thinking and communist political practice from Lenin to Stalin and from Mao to Deng Xiaoping.

Fears of the market heavily framed the debate within the CCP in the early phases of the reforms in the 1980s. The issue was only resolved, at least formally, with the adoption of the formula of a ‘socialist market economy’ at the Fourteenth Party Congress in 1994. Yet suspicions of the political implications of the development of a market economy have never quite disappeared, expressed every time when political key words such as *bourgeois liberalization*, *socialism with Chinese characteristics* or, more recently, *social management*, *consultative democracy* or *social governance* surface. However, the fundamental achievement has been that the contradiction between capitalism and socialism is no longer perceived as absolute. The question has become not if but rather how much and which kinds of freedom should be granted, and to whom. A degree of political liberalization has become a necessary complement to economic liberalization and socialist governance; a blank cheque of liberalism, however, is still a threat.

The purpose of this book is not to determine whether China is or will become capitalist or will remain socialist. It will not allay any fears or feed any hopes about the outcome of the Chinese experiment. Such questions – and their answers – are ultimately teleological: the judgement of what China is thought to become is conditioned by the conviction of what it ought to be. In this, neo-liberal economists declaring the victory of capitalism are just as misguided as CCP leaders insisting on the triumph of socialism.

Instead, I focus on what is actually going on. Socialism and capitalism are not monolithic and antithetical ideologies and systems but loose assemblages of specific ideas and institutions that are historically contingent and that vary from place to place. Aspects of capitalism like private entrepreneurship and a market economy may go together with

³ Fukuyama, Francis. 1992. *The End of History and the Last Man*. New York: Free Press.

unambiguous property rights, the rule of law, multi-party democracy or human rights in some contexts but not necessarily so in others.⁴

If China teaches anything, it is that the dissembling and reassembling of specific elements does not stop at the ideologically drawn borders between capitalism and socialism. In China, some of the components of ‘capitalism’ can and do combine with ‘socialist’ institutions like democratic centralism, a Party-dominated system of bureaucratic appointments, state or collective ownership and ‘fuzzy’ property rights. When held up against a particular standard of how things ought to be, the nature of these assemblages may, depending on the observer, appear very different. Some will conclude that they have retained China’s socialist essence; others will see in them the immanent superiority of capitalism.

To me, this seems a fruitless exercise, not more than an evaluation of what is new in terms of what has come before, a twentieth-century perspective on twenty-first-century phenomena. This book therefore proposes not to treat the processes of dissembling and assembling as departures from a norm but to give them centre stage in a *recombinant* view of the evolution of what I have termed China’s neo-socialist political and social formations that seek answers to empirical rather than ideological questions. How are contradictions between specific institutions resolved or kept in check? Which path dependencies, choices or political agendas enable or constrain the assemblage of elements? Which actors are involved in the selection, adaptation and combination of institutions? What are the intended and unintended consequences of these choices, and how might these create new path dependencies for the future?

Questions such as these will make it possible to pursue an open-ended perspective on China’s present and future. This, I believe, makes it possible to assess what the impact of China’s rise might be. The future of and with China will not be determined by a simple clash of ideologies or civilizations. Recombination and evolution will produce new realities and ideas that will be recognizable and unfamiliar at the same time, not only in China but across the world. Not only will they require

⁴ The possibility of a disconnect between capitalism and democracy has been acknowledged by several students of authoritarian regimes. For China, this argument has been made in Nathan, Andrew J. 2003. Authoritarian Resilience. *Journal of Democracy* 14,1:6–17.

Cambridge University Press

978-1-107-13274-0 - Knowing China: A Twenty-First-Century Guide

Frank N. Pieke

Excerpt

[More information](#)*Introduction: Knowing China*

5

new analytical concepts; they will also bring new expectations, apprehensions, fears, desires and, ultimately, ideologies.

1.2 Why This Book?

China is a cauldron in which the tension between socialist government, market economy, globalization, modernization and traditional culture produces forms of entrepreneurship, social organization, ways of life and governance that are at once new and unique, recognizably Chinese and generically modern. As a result, to outside observers, contemporary China appears both deceptively familiar and inexplicably different.

China's rise has triggered a virtual feeding frenzy among policy wonks, journalists, public intellectuals and (former) politicians. Their books, articles, comments and blogs ask the same questions over and over again: What explains China's economic growth which, despite a recent slowdown, continues at a pace that other countries can only dream about? Is a capitalist market economy compatible with socialist dictatorship? Will China replace the US and dominate the world? These questions and many of the answers are lodged within an antagonistic world view: Us versus Them. China may require an 'Asian pivot', active engagement or even containment, but it can never be treated as another large, rapidly developing country like India, Brazil or Indonesia.

To a large extent, this presentation of China's 'challenge' builds on two old Orientalist images. The first one, which goes all the way back to the eighteenth century, presents Chinese civilization as unchanging, superior and quintessentially different from the West. The other image represents the rise of China in exactly the opposite way. Dating from the nineteenth century, it paints a picture of China as a failed society, the 'sick man of Asia' that requires Western tutelage to have any hope of salvation.

In the twenty-first-century inflection of these images, China is represented as at last having awakened, rapidly becoming modern, capitalist and prosperous. This *mainstreaming* representation places China's transformation in a master narrative which assumes that reform and modernization are not only making China more successful and powerful but also transforming it into a place which no longer defies the predictions of normal development or even historical necessity. The

distinctive features of China's modernization are distilled into a 'model' which is just one of the global varieties of capitalism. The Chinese model may contain valuable lessons for other developing countries but does not fundamentally challenge the general applicability of capitalist principles.

The mainstreaming picture of China is predicated on the inevitability of change that ultimately can and must take one direction only, turning China into a modern country just like all others. Increasingly, however, this expectation runs up against the older image of China: a giant civilization quintessentially different from the West. The representation and predictions of this *exceptionalist* image become more relevant as China's wealth and power are felt ever more strongly across the world, not least within China itself. In China, this image is translated into the necessity or mission to restore its rightful place, making a confrontation, or at least sustained competition, with the West inevitable.

China's rise is viewed in equal measure through these two contrasting images, which explains the often very sudden shifts and changes in opinion and debate in China and elsewhere. Is Chinese investment a desirable contribution to development in Africa or a threat to Western global dominance? Can China be trusted as a strategic partner, or is it a global competitor that the West should prepare against? Will it play by the rules of the established international order, or will it create a new one that better serves its purposes?

Despite the obvious importance of questions such as these, public debate and generalist academic research are almost entirely disconnected from the work of China specialists who might actually possess the knowledge to answer them. For the better part of two centuries, Western scholars in the humanities and social sciences (some, but by no means all, operating under the label of 'sinology') have immersed themselves in the language, history and culture of China. In the last twenty years they have been increasingly joined by scholars from or based in China itself. What primarily drives their research is a fascination with China, not a concern about its impact on the West. The expertise of contemporary China specialists therefore often seems myopically irrelevant to the big questions that politics, media and the general public in the West are asking. Specialists, in turn, regard such questions as beside the point, naive and trivial and find the highly polemical nature of public debate often more than a little unsettling. Ill-prepared to

participate, many China specialists choose to stay well clear of debates about China. The few that enter the fray find that, to be heard, they too have to don the garb of stereotype and prejudice. Before long, their voices are barely distinguishable from those of people without any claim to specialist knowledge.

Nevertheless, debate and decision making across the world (including in China itself) have much to gain from the perspective of China specialists. Avoiding both Orientalist stereotype and the Procrustean bed of the social sciences, this book endeavours to take China specialist research out of the seclusion of area studies and put it squarely inside the arena of public and academic debate.⁵ This is not to say that China specialists know it all. We certainly have our own blinders when we obsess about arcane details of Chinese politics, religion or culture. More seriously, in many ways, we have happily continued our work as if China is still in some remote and isolated corner of the world. Some people even allege that our long involvement in China may make it awkward to do research on topics that the authorities don't like or to be openly critical of the government.⁶

Despite these real or imagined shortcomings, China specialists have a vital contribution to make. China-centric insights, concepts and theories that emerge from the Chinese experience reveal China in ways that are not conditioned by Western preoccupations, desires or fears. China-centric research is based at least in part on accounts of how China is experienced by people living there. Although a 'native's point of view' is the hallmark of the author's own discipline of social anthropology, all China specialists view China through Chinese eyes regardless of their disciplinary orientation or the nature of the sources or data they use. What anthropologists perhaps do more than, say, economists or political scientists is to lay bare the connections between the myriad social, political, economic and cultural aspects of contemporary Chinese society, and this book is no exception.

Although the research of China specialists used throughout this book is based on Chinese materials (documents, archives, interviews, observations, statistical data, surveys), the references have been limited

⁵ See Vukovich, Daniel F. 2012. *China and Orientalism: Western Knowledge Production and the P.R.C.* London: Routledge.

⁶ See Carsten Holz's polemical piece in the *Far Eastern Economic Review* some years ago. Holz, Carsten A. 2007. Have China Scholars All Been Bought? *Far Eastern Economic Review* 170,3:36–40.

to secondary literature in English, unless a specific fact or figure was only available from a primary source or in a Chinese-language work. I have chosen to limit direct references in notes to specific facts or viewpoints, saving information on the books and articles that I have drawn on for a separate bibliographic section at the end of the book. In this way, I hope to have improved the accessibility of the book somewhat, while still giving the reader systematic access to the extensive specialist literature on contemporary China.

A China-centric approach is not simply a Chinese approach but one that starts from Chinese realities rather than non-Chinese (usually Western) examples, norms, concepts or expectations. Chinese and Western readers will find things in it that they instantly recognize but also much that they may find novel or puzzling. A China-centric approach is also not the same as a China-friendly approach. This book paints a warts-and-all picture of Chinese society that is essential to understanding China. It shows that China is a society that works for the vast majority of people living in it, sometimes with difficulty, sometimes with surprising ease. Moreover, as a functioning and evolving set of institutions, it is very likely to continue to do so. Like all societies, it might not be ideal, but there is no practical reason why it should collapse or transform, regardless of the principled objections that observers in democratic countries may have.

1.3 Neo-socialism and New Technologies of Power

From the perspective of the CCP, market reform is only a means towards a more important end: a vigorous Party leading a strong state that governs a healthy nation and represents a powerful country. Socialist governance, a capitalist economy and nationalist pride are locked in a symbiotic relationship. Authoritarian socialism as a form of practical governance has made capitalism possible, while the future of socialist rule depends on the continued success of capitalist development. Both in turn are needed to make China a strong nation and a powerful country.

To the CCP, only its own continued rule thus guarantees that China will be strong and prosperous. Rather than breeding conservatism, this conviction has inspired a pragmatism and willingness on the part of the Party constantly to reinvent itself, while retaining core Leninist

principles that guarantee its authoritarian leading role over state and society. Ever since the start of the reforms in 1978, Chinese leaders, administrators, academics and businesspeople have mined societies of the developed world for ideas and models – many of them ‘neo-liberal’ – that may help the CCP improve its governance and make China a better place. Foreign imports are blended with indigenous socialist and reinvented traditionally Chinese ideas and practices. From a Chinese perspective, state building thus resembles a process of selective borrowing and mixing, producing a unique and evolving governmental rationality that I call *neo-socialism* in reference to both the neo-liberal origin of many of the governmental technologies that are adopted and the new direction that socialist governance is taking.

An intrinsic part of neo-socialist strategy has been the selective, partial and gradual nature of the marketization of state and collective assets and functions. Gradually, markets have been created for a vast range of commodities, resources and services, including labour, capital, insurance, housing, education, health care and land. In none of these cases has the state fully retreated from the markets its own policies have created, retaining a larger or smaller role for governments, state agencies or state-owned enterprises as providers and regulators and, quite often, also as major stakeholders.

Neo-socialism entails more than an old-fashioned Leninist party that puts neo-liberal technologies to familiar uses. Under neo-socialism, innovative neo-liberal and home-grown governmental technologies cut right at the heart of the Party-state itself, serving to support, centralize, modernize and strengthen the Party’s leading role in society. Neo-socialism is, however, not an ideology or a logically consistent model of governance but an analytical shorthand for the recombinant and open-ended nature of political and social development. There is neither a blueprint nor are there clearly circumscribed ideological no-go zones. Almost anything can be considered or even tried out, to be judged pragmatically on the contributions it might make to the development and stability of China and CCP rule.

This book describes the changing shape of China’s politics, society, economy, nation and globalization through the prism of the neo-socialist experiment and experience, asking questions which start from Chinese realities rather than our own wishes, fears or apprehensions. The title of each chapter consists of a statement that rejects opinions

commonly encountered in public debate. In doing so, it is not my intention simply to erect and then knock down straw men but rather to show that perceptions of China are usually based on a misunderstanding or misconstruction of what is happening. This is followed by a discussion of how specialist research helps to frame better questions for debate and research. Each chapter concludes with observations on possible future developments or scenarios.

Chapter 2, 'Why the Communist Party Will Not Fall from Power', starts with an analysis of the nature of socialist party rule. The Party after the reforms has in certain crucial respects become more rather than less Leninist. Under Mao Zedong, Party rule had deteriorated into personal dictatorship and orchestrated revolutionary frenzy. After 1978, Leninist procedures and principles were gradually restored. These included collective leadership, Party discipline imposed on the behaviour of its members and Party control over leadership appointments. The Party also invested heavily in ideological renewal. It changed its mission from revolution to reform, and its political role from exercising the dictatorship of the proletariat to the 'Three Represents' of the progressive forces in society. The ultimate objective of the Party is no longer communism; instead, it promises a united nation, a strong country and a prosperous and harmonious society. Surprisingly, the Party after 1978 retained and, in fact, deepened the highly decentralized structure of the administration that made local governance affordable and adaptable but also very difficult to control. Specifically neo-socialist elements were added gradually, especially after the start of the second phase of reform in 1992. These included the build-up of the central administrative apparatus, marketization of government functions, the rule of law, consultative democracy, and managed political participation of non-state organizations and political actors. After thirty-five years of reform, Party rule is on a much more solid footing than ever before. Despite these successes, not all is well, and the long-term success of the neo-socialist strategy is by no means an established fact. Evidence for this is the apparent need to tighten the reigns over academics, journalists, activists and the Party apparatus under the new Party general secretary Xi Jinping since 2013. Increasingly, Party politics is captured by special interest groups, the private interests of the families of high Party leaders and even organized crime. The fall from power in 2011 of Bo Xilai, at the time Xi Jinping's main rival to take the CCP's top post in 2012, laid bare the deep divisions in the Party