

JERUSALEM LETTER / VIEWPOINTS

Jerusalem Center for Public Affairs

VP:73 14 Iyar 5748 / 1 May 1988

POLITICAL REFORM IN CHINA IN THE 1980s

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Dismantling the Communes / Economic Reform in the Cities / Political Reforms to Complete the Economic Reforms / Student Demonstrations Lead the Way / The Government Cracks Down / Reformers Win at the Party Congress / The Beginning of Political Reform / Two Systems — One Country / Recognition of Israel

[Editor's Note: Min Chen is a Chinese doctoral student in international relations currently studying overseas at the Australian National University. Born and raised in Peking, he is the first Chinese student to do research in Israel. This Viewpoints is based on his presentation earlier this year at the Jerusalem Center for Public Affairs.]

Dismantling the Communes

Political reform in China is quite a new topic for the Chinese as well as for Western scholars. When we study reform up to the Cultural Revolution or the post-Mao period up to 1979, people mainly talk about reforms in the economic field because the post-Mao leadership at that time thought that China had a perfect political system.

The only problem, it was felt, was that China borrowed too much from the economic models used in the Soviet Union, which were overcentralized and had heavy industry as their first priority. It was thought that only by reforming the economic system could everything be made right.

The leadership began with the rural sector because it was the most economically depressed and because 80 percent of the population live in the countryside. They initiated a contract responsibility system to replace the Chinese commune system, giving individual households a piece of land to work under contract instead. This reform proved to be very successful and a lot of peasants really prospered. During the Cultural Revolution I was

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sent to the countryside and saw the horrifying poverty. People were working for 7 or 8 U.S. cents a day and living in extreme poverty. Before I left China I visited the village where I had worked and I was really surprised to see the tremendous improvement of the living standards in the countryside. As a result, the commune system essentially disappeared. One of the surprises I found here in Israel is that the Israeli commune works very well while socialist China has no communes anymore.

Economic Reform in the Cities

Since the reform in the countryside was successful, the leadership decided to apply it to the cities. They changed the system of central planning into a combination of central planning and a free market economy. While the prices of 30 percent of the goods are still decided by central planning, 70 percent are now set by the laws of supply and demand.

In the past, all enterprises were state-owned. Then they began to promote collectively-owned enterprises, which by 1986 represented 26 percent of the economy. Also by 1986, 2 percent of the economy was controlled by individually-owned businesses. This is still very small, but it is a beginning. There are about 19 million people working in their own individual businesses.

Four special economic zones were established in the southern and southeastern part of China to attract funds from foreign countries. Then fourteen cities were opened to foreign investment and technology.

By and large, the economic reforms have been successful, despite inflation and some other problems. The average peasant's yearly income has risen from 100 to about 400 yuan. While that is a big jump, at 3.7 yuan to the dollar it is still not much. The income of those in the cities rose from 300 to about 800 yuan a year.

Political Reforms to Complete the Economic Reforms

By 1986 people started to discuss political reforms because they began to realize that reform of the political system was necessary in order to carry out the economic reforms in a thorough way. For example, there was the problem of over-centralization. In order to decentralize the economic system it was necessary to decentralize the political system and separate the power of the party and the government.

In another example, in order to promote economic relations with other countries, a legal system is required. Yet for a long time China had almost no legal system at all. Everything was regulated by the policies of the party instead of the law. For example, when a husband and wife had a quarrel and wanted a divorce, there was a sort of neighborhood party committee to deal with this kind of problem. People had no concept that they could resort to law to solve problems.

The subject of political reform was debated by the party political bureau in July 1986, but the conservatives blocked any changes on the political side. The reformers continued to discuss political reform in the newspapers and among the intellectuals and students. And by the end of 1986, the students began to demonstrate in support of greater democracy.

Student Demonstrations Lead the Way

The initial incident involved the students' demand to elect their own representatives to the People's Congress, our parliament. Under the old system of elections, party officials from above nominated a number of candidates and then the people were supposed to choose some from those candidates. But at An Wei in central China, the students said they wanted to nominate their own candidates. When the authorities refused, the students said they would boycott the

elections. Then they began to demonstrate -- for the right to nominate their own candidates and for democracy.

The report of these demonstrations was disseminated by the Voice of America to other parts of China -- to Peking, Manchuria, Shanghai, and to southern China. Then the students from those areas also started to demonstrate, to say "we want democracy, we want freedom, we want reform."

The Government Cracks Down

The authorities were in trouble because it was thought that the situation would get out of control. There was a sort of coup d'etat in the central government. The first consequence was that general secretary of the party Hu Yao-bang, an outspoken supporter of the political reform, was dismissed from his post. Then the government cracked down on the student demonstrations and banned any further demonstrations. Thirdly, there was a reshuffle within the government. The minister of propaganda was dismissed immediately, along with a number of others.

Finally, the authorities expelled a number of famous intellectual dissidents from the party. One is a prominent physicist who is still very active in the dissident movement. A second is a reporter from the People's Daily, the Communist party's newspaper. He has written many stories revealing the dark side of the party and the social system, and the students are very much influenced by his stories. One of his stories is entitled "The Second Loyalty." In it he described how in the Chinese political culture we say we should be loyal to our party, to Chairman Mao. Whatever Chairman Mao said, we should follow him blindly. People now call this the first loyalty. People with first loyalty usually enjoy rapid advancement in their careers. Then he described someone who has a loyalty to the party, but who always criticizes the policy of the party, although he is loyal to it. But these kind of people have actually

suffered a lot in the past twenty years. He described the fate of a person who returned from the Soviet Union as a student and who was sent to prison because he criticized the party. Even in prison he kept writing to the party central committee to say, "I believe that you did not know what happened to me and I want my wrong to be redressed. I want the mistakes committed by the party to be redressed too."

Then the conservatives within the party leadership began an anti-liberalism campaign. They would say, "now we have to stop importing culture from other countries, to stop showing films from America and Western Europe, to strengthen the political education of the students and restore the system of political instructors for the students in the universities." This system was stopped for a while, and then they restored the system. When I was a student, we had political instructors at the time to take care of our ideology.

In some parts of China the leftists even proposed imprisoning the dissidents as counterrevolutionaries because it was felt that they were anti-government and should not be treated too leniently. For a while many people worried that China would return to the days of the cultural revolution. It was very bad for a lot of people. But the strong reaction from both at home and abroad stopped the government from doing that.

First, China now had a lot of economic contacts with Western countries and when the government started its anti-liberalism campaign, the capitalists from the other countries began to worry about their investments. They began to reduce their investments in China, which was very bad for the Chinese economy.

Another strong reaction from abroad came from the 25,000 Chinese students studying in America who are the elite, the future of the Chinese society. One thousand of those students immediately published an open letter to the Chinese government, and I was among them, asking the government to stop their anti-

liberalism campaign. This was a very significant pressure because if those students refused to go back to China, it would produce a crisis in the Chinese government. People would say, "you sent those students to study in America and they are the future of our country, but if they refuse to come back, what is the basis of your policy?"

Third, most of the intellectuals were very much dissatisfied with the way the Chinese government had treated the democratic movement and they were not very cooperative with the anti-liberalism campaign. By March 1987, this campaign had gradually died out and the government adopted a more balanced policy. The premier, who was more reform minded, took over the general secretary's post within the party and the situation generally quieted down.

Reformers Win at the 13th Party Congress

Both the traditional conservatives and reformers then began preparing for the national party congress, which was held last October. They became very busy recruiting their own candidates to join the party in order to influence the impending contest for power.

The results of the national party congress were surprising in that almost all the conservatives failed to win key posts. As a result, the congress decided to continue the drive for reform.

The Beginning of Political Reform

After the congress, the government began to implement political reforms. The number one political reform is to separate the power of the party and the government. In the past, such power overlapped. For example, there was both a government department and a party department to deal with trade or with industry. People did not know to whom to turn; when they approached the government, they were told to talk to the party, and when they approached the party, they were told to talk to the government.

Now they are trying to eliminate these overlapping departments in the party to strengthen the power of the government. They have decided that the main focus of the party should be to formulate policy. That means the party leaders are supposed to make policies and supervise those policies, but are not supposed to implement the policies. The implementation of policies is to be left to the government.

Another reform is to begin to separate the government from economic enterprises, giving the latter more freedom. A bankruptcy law was enacted which allowed for the possibility that a badly-managed, state-run enterprise could go bankrupt. The restriction of the government's role in the economy is of crucial importance to reform. In my opinion, the economy should be more independent from politics.

In addition, they have begun to perfect the legal system. In the past, as noted earlier, many problems were dealt with without law. For example, in 1982 the government launched an anti-crime campaign to deal with a wave of crimes -- pickpockets, murders and rapes. They arrested many people without any proven evidence, held no trials, sentenced them to death, and executed them almost immediately. Many people were killed. Now the government realizes that while they started with good intentions to eliminate crime within the society, they did it in the wrong way. For example, you could have been killed for a very minor crime if you were arrested at the wrong time. If you were sentenced before the campaign, you would have been safe, but if you were sentenced after the start of the campaign, then you would have been killed. So it was decided not to allow that kind of tragedy to take place again and to perfect the legal system.

In another reform, the government decided to professionalize the army, while at the same time reducing its role in the decision-making process. While in the past, half the members of the political bureau were generals, today there are only two. In the army they are now trying to

promote officers on the basis of professional ability instead of political background. In addition, the Chinese army has been reduced by a million men, a major reduction.

The question of private ownership is a reform that is still being debated. Because China is a socialist country, it has still not been decided how much the state should own and how much private individuals should own. The direction of reform is clearly to allow individuals to own more and the state less. Right now most of the large and medium-sized enterprises are owned by the state. The government has begun allowing people to run some smaller enterprises on a trial basis, but it is not known whether this experiment will be successful.

If the economic situation in China continues to improve, the trend toward political reform will also continue. The next ten years will therefore be a crucial time for political reform in China.

Two Systems — One Country

One side of the Chinese attitude toward economic reform can be seen in our agreement regarding Hong Kong. China earns 60 percent of its foreign exchange through that small island. The treaty with Britain was to end in 1997, but the Chinese were trying to avoid dealing with this because they did not know how to solve the problem. It was the British who insisted that a solution be reached to avoid future instability. Reformers spoke against simply sending in the troops and changing the entire system because if we changed the system, then we would lose our major source of foreign exchange. We have to maintain the prosperity of Hong Kong. The idea is to keep Hong Kong both autonomous and capitalistic. That means Hong Kong will remain a free and open port. We will assume sovereignty and send our troops there to

signify that Hong Kong is a part of China, but everything in Hong Kong is to be maintained by the local people there, and the local government will be elected by the local people. The Chinese side is not supposed to send in any cadres or officials to guide their work. By this practice, we mean two social systems in one country.

This is also the idea for Taiwan because China wants to unify the whole country. Taiwan is part of China, but we cannot expect the people of Taiwan to change their system by joining China because even the Chinese leaders nowadays recognize that those in Taiwan have much better economic prosperity and a much higher living standard. Hong Kong is an example for Taiwan, to practice "one country, two systems."

Recognition of Israel

China has no ill feeling toward Israel because we do not have any direct conflict of interest with Israel at all. But the problem is that China is a socialist country and is supposed to be supporting the Third World and national liberation movements. And the Arab world has now become China's fourth largest trading partner. It is not easy for the Chinese government to change its policy toward the Middle East dramatically. China advocates a peaceful solution to the Arab-Israel conflict which recognizes the right to exist for both the Israelis and the Palestinians. Through the framework of an international peace conference we can get in touch with Israel and find the opportunity to solve the Arab-Israel conflict and recognize Israel. This is one of the reasons why the Chinese minister of foreign affairs met Peres at the United Nations, a meeting which was strongly protested by the Arab side.

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