

from

REFORM

to

REVOLUTION

The Demise of Communism

in China and the Soviet Union

MINXIN PEI

From Reform to Revolution

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Minxin Pei

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Introduction

The most important political change of the late 1980s was the ending of the Cold War. This change originated primarily in the wave of reforms and revolutions that swept over all the established communist systems between 1979 and 1991, excluding only North Korea and Cuba.¹ Reforms took place in the less developed communist systems of China, Albania, and Vietnam, as well as in the more developed states of Hungary, Poland, and the Soviet Union. They were launched by communist regimes that had come into power via indigenous revolutions (China, the Soviet Union, Yugoslavia, Albania, and Vietnam) and by those installed and maintained by the Soviet military power (Hungary, Poland, and Bulgaria). Reforms were undertaken both in countries that had experienced similar changes, albeit inconsistently and briefly, between the mid-1960s and early 1970s, and in countries for which the same processes were a novel phenomenon (China, Vietnam, Mongolia, and Albania). In communist states that initially resisted reforms, such as East Germany, Czechoslovakia, Romania, and Bulgaria, the old regimes were eventually overthrown by popular uprisings—peacefully in East Germany, Bulgaria, and Czechoslovakia, and violently in Romania. In the most powerful communist country in the world, the Soviet Union, reform led to revolution and the eventual disintegration of the regime in 1991.

This late-twentieth-century wave of reforms and revolutions poses immense challenges to three communities: the nations in which these changes have occurred and are still unfolding, the international community that is absorbing the revolutionary impact of these events, and the academic community that has been studying them since the late 1970s.

For the 1.6 billion people—nearly one-third of the world's population—in a dozen countries previously ruled by communist dictatorships, this surge of reforms and revolutions has reshaped the political, economic, and social institutions of their states, redirected the future of their societies, and expanded their freedom. For the international community, the changes of the

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1980s have put an end to the Cold War, reset the global balance of power, and brought more than twenty newly independent states into the international system. For the academic community in general, and social scientists in particular, the radical transformations of the 1980s raise new questions about their disciplines, especially given the sobering fact that neither students of comparative communism nor social science theories had forecast these developments.²

This wave of reforms and revolutions continues into the 1990s. The collapse of communist dictatorships in Eastern and Central Europe and the former Soviet Union has not led to the creation of genuine democracies or functioning market economies. At the beginning of the 1990s, most ex-communist societies were mired in severe economic and political crises. The pervasive corrosion of communist rule by market forces in China and Vietnam had not yet caused the downfall of the authoritarian regimes in Beijing and Hanoi. Although most political scientists share a broad agreement as to what the political systems in these countries were changed *from*, they are less clear about what these former communist regimes have been changed *into*. Indeed, the patterns of political change in the communist world in the 1980s and early 1990s, as summarized in Table I.1, vary significantly among individual countries, indicating the complexities, unpredictability, and ambiguities of regime change from communism.

One striking feature of these patterns, however, is that, between 1979 and 1993, various attempts at transitions from communism resulted in only a handful of successful regime changes in which semiconsolidated democratic institutions began to function. One may include in this category the Czech Republic, Hungary, Slovenia, and Poland.

Certain postcommunist political systems, including Serbia, Romania, the former Soviet Central Asian republics, and Mongolia, where ex-communist leaders won the first open elections and maintained power, defy easy classifications. In parts of the former Soviet Union and Yugoslavia, the breakdown of the old political order was followed by the collapse of inter-ethnic peace, the fracturing of the multiethnic state, and the eruption of civil war between former republics.

In China and Vietnam, the Communist Party formally remained in power despite enormous market-oriented economic changes and periodic challenges from emerging opposition movements. The institutional, economic, and ideological foundations of orthodox communist rule had been so seriously undermined, however, that by the early 1990s “communism” no longer accurately described the autocracies in these countries. The three pillars of orthodox communism in China and Vietnam—the party-state, a planned economy, and communist ideology—have been made hollow by (1) the increasing technocratization of the state at the expense of the Communist Party; (2) the rapid transformation of a planned economy into an in-

creasingly marketized one; and (3) the dramatic retreat of communist ideology from a revolutionary-utopian doctrine to a set of conservative-defensive dogmas that serve principally to legitimize the continual rule of the autocratic regime.³

Despite the variations in regime transition in established communist states, two salient historical-structural factors universally influenced the patterns of transition: the political origin of the old regime and the country's level of economic development.⁴ As a group, Soviet-installed communist regimes tended to experience fewer complications, and were replaced by new regimes in a shorter period of time, during transition than those created by internal revolutions. By contrast, some homegrown communist regimes experienced total collapse, as was the case in the former Soviet Union, Yugoslavia, and Albania, following a period of regime-initiated reforms and ensuing political turmoil. In the postcommunist former Soviet republics, Russia being the most representative, democratic consolidation encountered severe complications arising from deep division within society and extreme political polarization. Other homegrown communist regimes, for example, China, Vietnam, and Cuba, managed to resist the global tide of democratization.

The level of economic development was also a key variable affecting the outcome of regime transition. All communist regimes that have made the transition to democratic forms of government were located in the "transition zone"—a "middle economic stratum" between \$1,000 and \$6,000 in annual per capita Gross National Product (GNP).⁵ Conversely, communist states at lower levels of development and with large rural populations remained authoritarian, an exception being Albania, whose opposition was finally able to defeat the communists in March 1992 after the country virtually collapsed into civil disorder.

The breakdown of communist regimes in the late 1980s will engage students of comparative politics for years to come. But the present study focuses on two central issues: the paths of change and variations in transitional experiences, and the revolutionary dynamics of transition—Why did initially limited reforms in the two most powerful communist states, China and the former Soviet Union, turn into revolutions or assume a revolutionary character?

In Chapters 1 and 2 I will develop two interrelated analytical frameworks to make two key arguments: first, regime transition from communism is qualitatively distinct from transition from authoritarianism, because it involves the dual process of democratization and marketization. The sequencing of the twin process generates three possible routes of transition. Although elite perception of policy alternatives and subsequent choice were important factors, patterns of transition in former communist states were

Table I.1 Patterns of transition in established communist regimes, 1979–1992

	More developed communist states	Moderately developed communist states	Less developed communist states
Soviet-installed regimes	Democratization via elections or peaceful revolutions, with the opposition in control of the government immediately: Poland (1988–1989) Hungary (1988–1989) Czechoslovakia (1989–1990) ^a East Germany (1989–1990)	Democratization via elections, with the opposition unable to maintain control of the government: Bulgaria (1989–1992)	Democratization via elections, with ex-communists in control of the government: Mongolia (1989–1992)
		Transition via violent revolution, with ex-communists in control of the government: Romania (1989–1992)	No transition: North Korea

Homegrown communist regimes	<p>Democratization leading to national disintegration and the collapse of the old regimes, resulting in mixed regime types, civil war, and ethnic violence:</p> <p>Soviet Union (1985–1991)^b</p> <p>Yugoslavia (1989–1991)^b</p>	<p>Democratization via elections, with the opposition in control of the government after two elections:</p> <p>Albania (1990–1992)</p>
	<p>No transition:</p> <p>Cuba</p>	<p>Ongoing transition to a market economy without democratization:</p> <p>China (1978–1992)</p> <p>Vietnam (1986–1992)</p>

a. Czechoslovakia split into two countries, the Czech Republic and Slovakia, in January 1993.

b. Both the Soviet Union and Yugoslavia disintegrated in 1991.

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profoundly influenced by the political origins of the old regime, the social structures and levels of economic development of these countries, and certain initial advantages upon the inception of transition, such as past popular resistance to the old regime, prior experience of government-sponsored partial economic reforms, and the reach of the state.

Second, in transitions from communism, limited reforms tend to become revolutions when the balance of power between the state and society precipitously shifts in favor of the latter. This occurs as a result of both the accelerated institutional decay of the state and the rapid mobilization of previously excluded social groups, leading to swift resource gains by these groups, which thus provide them with the means to radicalize reform.

In testing this proposition, I will briefly summarize and compare the radicalization of economic reform in China (1979–1992) and political reform in the Soviet Union (1985–1991) in Chapter 2. In addition, to generate comparative insights into the microprocesses of regime transition, I will present two detailed case studies (Chapters 3 and 4) that will focus on the emergence of the private sector in China and the Soviet Union. In the other two case studies (Chapters 5 and 6) I will investigate the process of democratization as reflected in the liberalization of the mass media in the two countries.

The choice of the four case studies reflects our basic understanding of regime transition as a restructuring of state-society relations. The definition of a political “regime” here centers on the institutional (formal) and substantive arrangements of power, since such arrangements determine who gains access to power and how that power is exercised.⁶ Thus defined, political regimes may be divided into sub-categories according to their institutional arrangements, such as one-party, multiparty, military, or sultanistic regimes. Because the arrangement of power in any polity sets the boundaries between the state and society, the regime becomes the *nexus* between the two.

Analytically, a regime is distinct from the state, which is a Weberian conception narrowly defined here as administrative, law-enforcement, and security-military organizations under the centralized control of a supreme authority.⁷ Empirically, the two often overlap and are, fundamentally, symbiotic. A regime uses the instruments of the state to maintain itself and advance its goals. And the state, largely through the power arrangement formalized by the regime, extracts resources from society to keep itself in existence.⁸ Changes in the regime type inescapably affect the structure and capacity of the state and vice versa. Indeed, any regime change or transition entails more than changes in the formal institutions of the polity.

More important, regime change leads to a *significant* and *qualitative* restructuring of state-society relations through the redistribution of power between the various political entities collectively known as “the state” and the innumerable social, cultural, and economic organs aggregately called “society.” Regime change also has a profound impact on the state’s and society’s respective autonomy and capacities. It may *expand* or *reduce* the scope of

political and economic freedom for society, *increase* or *diminish* its political capacities. In the case of a democratizing regime transition, such freedom and capacities, primarily political liberty and power, are expanded.

The most ambiguous form of regime transition discussed here is that from a communist regime to a postcommunist authoritarian one, as exemplified in the ongoing transitions in China and Vietnam. In these instances, the expansion of political rights, liberty, and political capacities of societal groups is insignificant, but the expansion of economic and civic freedom and private economic resources is substantial. This is typically the case after postcommunist authoritarian regimes introduce market forces to reform planned economies and subsequently are compelled to cede to society a high degree of economic and civic freedom, as well as material resources. The transition from a communist to a postcommunist authoritarian regime should thus be considered a significant and positive development in the strengthening and expansion of the autonomy and political capacities of society.

Conversely, the autonomy and political capacities of society are reduced in cases of *reverse* regime transition; that is, the replacement of democracies by authoritarian or totalitarian regimes, as in the first and second reverse waves of democratization in 1922–1942 and 1958–1975,⁹ or in the replacement of authoritarian regimes by totalitarian ones, as was the case following the communist revolutions in Russia, Albania, China, Vietnam, and Cuba.

In examining the restructuring of state-society relations in communist countries in the 1980s and early 1990s, we must pay special attention to the mass media and the development of the private economic sector for three reasons. First, these two sectors are *arenas* where societal actors and the agents of the state compete for control. Second, they are *power-producing sectors* that generate political and economic resources coveted by both autonomy-minded societal actors and control-hungry agents of the state. A society without much control of the mass media is too weak to resist the power of the state in influencing public opinion, and a society deprived of private economic resources is also devoid of the means of defending and expanding its freedom and capacity.

Conversely, a state with dwindling control over public opinion and economic activities will inevitably see its ability to dominate society diminish. Lastly, changes in the degree of the liberalization of the mass media and the rise of the private sector are the two important *indicators* of the progress of regime transition from communism—one in terms of political liberalization (a key sub-process of democratization) and the other in terms of marketization.

Although the reforms in China and the Soviet Union have aroused enormous intellectual curiosity and attracted wide scholarly attention in recent years,¹⁰ few students of comparative communism or specialists on the two nations

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have attempted to approach regime transition in the two countries by applying an integrated analytical framework. Part of this problem may be caused by the following important differences between China and the Soviet Union at the time of transition:

Level of economic development. China was a predominantly agrarian society at a low level of development, whereas the Soviet Union was an industrialized society at a moderate-to-high level of development, though with significant regional and sectoral disparities.

Sociological characteristics. China had a low urbanization rate (18.9 percent in 1979) and a high illiteracy rate (23.7 percent in 1982) in the late 1970s and early 1980s; by comparison, the Soviet Union was highly urbanized (65.7 percent in 1986) and had a negligible illiteracy rate. Although both were multinational empires, China had a higher ethnic homogeneity, with Han Chinese accounting for 87 percent of the population. In the Soviet Union, non-Russians accounted for nearly 50 percent of the population in the late 1980s.

Sequences of reform. Chinese reform started in the economy, whereas Soviet reform was led by political liberalization after a brief, abortive attempt at economic reform between 1985 and 1986.

Generational differences of the ruling elites. China was ruled by the first-generation revolutionaries who founded the People's Republic.¹¹ These elites tended to be more committed to the maintenance of the Communist Party's monopoly of power than were third- or fourth-generation elites. After all, who would expect Lenin to reform a Leninist state or Stalin to dismantle totalitarianism? By comparison, the post-Brezhnev ruling elites in the Soviet Union represented by Mikhail Gorbachev were fourth-generation, post-totalitarian rulers thrice-removed from the communist revolutionary experience and state-building process. Their personal commitment to the ideology and institutions of communism lacked the intensity exhibited by their Chinese (or Cuban and Vietnamese) counterparts.

Despite such differences, China and the Soviet Union shared important *political-institutional* characteristics. Prior to reform, both countries were ruled by a communist regime with a monist party-state, a planned economy, and a Marxist-Leninist ideology as its legitimating principle. Reforms in each country, moreover, were triggered by intraelite power struggles during the succession crisis—China in 1976–1978 and the USSR in 1983–1985. Both were homegrown Marxist-Leninist regimes that came to power through communist-led revolutions. These similarities suggest that the two countries should experience analogous *process dynamics* during regime transition, making a comparative project feasible and rewarding.

There are two additional compelling justifications for undertaking this comparative study. From a geopolitical perspective, political and economic changes in China and the former Soviet Union affect the international bal-

ance of power. The long-term global impact of the collapse of the Soviet empire in Eastern Europe in 1989 and the disintegration of the Soviet Union itself in 1991 cannot be truly measured for years to come. The changes in China since the late 1970s will also reshape the international system in the coming decades.

From an academic perspective, the collapse of the Soviet Union rekindled scholarly debates about the viability and strategy of reforming communism. Similarly, the demise of communist regimes in the former Soviet Union and Eastern Europe led scholars to question the durability of the “communist” regime in China and elsewhere and to rethink Gorbachev’s failed experiment.¹² Should he have adopted a different strategy? Does China’s prosperity and tranquility in the early 1990s vindicate its “neoauthoritarian” model, that is, economic liberalization without democratization? Does the catastrophic outcome of *glasnost* and *perestroika* negate the democratization-first reform approach? Answers to these and other important questions are impossible without undertaking a comparative project which reexamines the dynamics of regime change in China and the former Soviet Union.

Regime Transition in Communist States

I

It is tempting to treat the process of regime transition from communism as identical to the regime transitions from authoritarianism that occurred between the mid-1970s and mid-1980s in southern Europe, Latin America, and East Asia.¹ Unlike regime transition from other forms of authoritarian rule, however, transition from communist rule must be considered a distinctive *dual transition*.² Compared with pretransition communist regimes, pretransition authoritarian regimes of varying types—such as a strong one-party dictatorship (Taiwan), military juntas and dictatorships (Greece, Argentina, Chile, Brazil, and South Korea), and personal dictatorships (Francisco Franco's Spain, Antonio Salazar's Portugal, Alfredo Stroessner's Paraguay, and Ferdinand Marcos's Philippines)—obviously lacked the institutional capacity and means to control society that characterized established communist regimes.

For one thing, none of the authoritarian regimes possessed a tightly organized ruling party that had penetrated all the institutions of the state to the same extent that the Communist Party had through its *nomenklatura* system and army of *apparatchiki*. Second, the scope of civil society, measured in terms of autonomous civic, labor, religious, professional, and business associations, was substantially broader in authoritarian than in communist states. These preexisting organs of civil society, as case studies of transitions from authoritarianism to democracy have noted, acted as coalition partners of the opposition and facilitated the transition process.³

The third and perhaps most important difference between authoritarianism and communism was that all the authoritarian regimes had market economies with relatively well defined private property rights, whereas none of the established communist regimes had a market economy or legally protected private assets of production before transition. This singular institutional difference vastly complicates the transformation of a dual-closed system (a communist dictatorship and a state-dominated planned economy)

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into a dual-open system (a market economy polyarchy). In transitions from communism, the inauguration of competitive political processes and the establishment and consolidation of democratic institutions must occur, either simultaneously or sequentially, with the creation of a market-based economic system and the destruction of the planned economy.

In market economy authoritarian systems in the developing world, the state also wields a considerable influence in managing the economy through large public sectors. However, the intervention of such governments in economic activities is dwarfed by the monopolistic role of the state in established communist systems in running prereform planned economies both quantitatively and qualitatively, as depicted in Table 1.1.

In pretransition communist systems, the state owned and directly managed nearly all productive assets, the most important being the land. Private property was confined to household belongings and savings. Private ownership of productive assets was either banned or limited to insignificant quantities. The state also monopolized the distribution of all producer goods and an overwhelming majority of consumer goods. Most members of the work force were employed in state or quasi-state sectors. Thus, the economic institutions of state-socialist economies not only performed purely economic functions, but also acted as mechanisms of social control and political mobilization for the state.

This all-embracing institutional framework of direct state ownership and management of the economy was unmatched, as Table 1.1 shows, by any of the noncommunist authoritarian regimes in the developing world. In these authoritarian systems, direct state ownership of productive assets and the size of the public sector were substantial—and often excessively large—by Western (chiefly American) standards. Compared with prereform communist regimes, their level of state control of the economy was low. In most of these authoritarian systems, some of which have undergone democratization since the early 1980s, the state sector contributed between 10 and 30 percent of the gross industrial output.⁴ It is thus more precise to treat regime transition from noncommunist authoritarian rule as one-dimensional, or *democratizing*, regime change.

The complex interaction between economic reform and regime transition has received serious attention in recent scholarship.⁵ Recognizing the qualitative difference in economic systems between authoritarian and communist regimes, Adam Przeworski argued that, despite some similarities between the macroeconomic crises in Eastern Europe after the collapse of communism and those that afflicted most Latin American countries on the eve of transition, the economic structure of the Eastern European countries was “harder to transform . . . economic reforms in Latin America are a matter of, at most, ‘structural adjustment,’ while in Eastern Europe they call for a transition from system to system, from socialism to capitalism.”⁶

In the present analytical framework, the term “democratization” incorporates the two dimensions of polyarchy—contestation and inclusion—first proposed by Robert Dahl. Regime change from communist systems, as we will see later in Figure 1, must thus be viewed as dual transition involving both *democratization* (liberalization and inclusion) and *marketization* (the creation of a market economy). Figure 1 differs from Dahl’s model of democratization in that it compresses liberalization and inclusion into one dimension while adding the economic dimension of transition, which Dahl treated as a given and overlooked in his analysis of democratization. Figure 1 also differs from the regime transition model proposed by O’Donnell and Schmitter, who defined the two dimensions of regime transition in authoritarian regimes as “liberalization” and “democratization.” Like Dahl, O’Donnell and Schmitter did not take into account the connection between change in the economic system and the political system during regime transition.⁷

Crisis of Communism and the Initiation of Reform

Crisis and Elite Perception

Why did established communist regimes initiate reforms? What were the specific factors that motivated the governing elites of communist states to make the critical choice of changing their political and economic systems in the 1980s?

Historically, nearly all reforms initiated by authoritarian regimes were triggered by systemic crises and undertaken as a self-preserving response by these regimes.⁸ More recently, political and economic crises also led to regime transitions in a large number of authoritarian systems.⁹ Typically, such crises included military defeat, external threats, succession power struggles, economic collapse, the breakdown of key political institutions, and a sudden intensification of popular demands for social justice and political participation.

Similarly, communist regimes that opted for reform in the late 1970s and mid-1980s were faced with acute political and economic crises that the top leaders of these regimes perceived as serious threats to the survival of communist systems. Deng Xiaoping’s remark on the urgency of reform was an apt description of crisis as a catalyst of reform. “If we again fail to implement reform,” Deng said in December 1978, “our modernization program and socialist cause will be doomed.”¹⁰ In Vietnam, the popular slogan *doi moi hay la chet* (renewal or death) captured the severity of the crisis of communism and the hope placed in reform. Shortly after assuming office in December 1986, the new general secretary of the Communist Party of Vietnam,