

*A. Doak Barnett
and Ralph N. Clough, editors*

Modernizing China

Post-Mao Reform and Development

Westview Press

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edited by
A. Doak Barnett and
Ralph N. Clough

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About the Book and Editors

Since the death of Mao, China has entered a new period in its development. Turning away from the all-encompassing emphasis on revolutionary struggle and ideological transformation that characterized the last years of the Maoist era, China's leaders under Deng Xiaoping have initiated dramatic new reform and development policies. In original essays, the contributors, all senior specialists on contemporary China, analyze the reasons for the new policies, the nature and impact of the changes now occurring, and the prospects for a continuation of these policies in the future. Specifically, they examine the Chinese polity as a "consultative authoritarian" system, the far-reaching changes in China's agriculture, important shifts in foreign economic relations, the gradual modernization policy pursued by its military leaders, the relaxation of controls on cultural life, and the possibility that current social policies may well increase equality rather than inequality in Chinese society.

The authors conclude that it is too early to judge the eventual, long-term outcome of current reforms, which they believe grew out of the political crises and chronic economic problems that afflicted China in the late 1960s and early 1970s. Although they see some opposition and built-in limits to reform, on balance they foresee strong support for continued reform and believe it will be difficult for future leaders to reverse course.

A. Doak Barnett is professor of Chinese Studies at the School of Advanced International Studies, The Johns Hopkins University. His books include *Uncertain Passage: China's Transition to the Post-Mao Era*, *China on the Eve of Communist Takeover* (reissued by Westview), and *The Making of Foreign Policy in China: Structure and Process* (Westview). **Ralph N. Clough** is coordinator of the SAIS China Forum at the School of Advanced International Studies, The Johns Hopkins University. His books include *East Asia and U.S. Security* and *Island China*.

Publication of
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Edwin O. Reischauer Center for East Asian Studies
School of Advanced International Studies
The Johns Hopkins University

Preface

The SAIS China Forum was established in 1984, at The Johns Hopkins School of Advanced International Studies, to organize lectures, symposia, seminars, and other programs focused on China and U.S.-China relations. A part of the Edwin O. Reischauer Center for East Asian Studies at SAIS, the Forum brings together a wide range of distinguished scholars, diplomats, civil servants, businesspeople, and others to examine major trends and developments, as well as key problems and issues, relating to China and U.S. policy toward China. The majority of the meetings it sponsors are open not only to SAIS faculty and students but also to others in the Washington, D.C., area who are seriously interested in these subjects.

During the academic year 1984-1985, the SAIS China Forum organized a major series of lectures by leading American scholars on "China's Modernization." These lectures, subsequently revised, are the basis for this volume. Each of the five authors is a recognized leader in his discipline and area of special expertise in the broad field of China studies: Dwight Perkins, of Harvard University, in economics; Harry Harding, of the Brookings Institution, in politics; Paul H.B. Godwin, of the Air University, in military affairs; Perry Link, of the University of California at Los Angeles, in literature; and Martin King Whyte, of the University of Michigan, in sociology. The Forum asked the authors to give their analyses and interpretations of the most significant changes that have occurred in China since the death of Mao in different sectors of society—which are indicated by the chapter titles—and to present their views succinctly and in a form that would be aimed not only at other scholars and students of China but also at the "informed public" with interests in China. We believe they have succeeded admirably and that this small volume should be of wide interest because it gives the considered judgments of individuals who are among the best qualified anywhere to give such judgments on the extraordinary processes of change that have been unleashed

in China during the past eight years, as well as on the likely consequences of these changes in the years ahead.

The coeditors express their gratitude first of all to the five authors. They also wish to express their great appreciation to Benjamin T. Rome, whose financial support made possible the SAIS China Forum programs that resulted in this book, and to Barbara S. Bowersox, Program Coordinator, who assisted at every stage in organizing SAIS China Forum programs and producing this book. Additional thanks are due those at Westview Press who made possible the rapid copyediting and publication of the book—in particular, Senior Editor Libby Barstow and Copy Editor Christine Arden.

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Ralph N. Clough
Washington, D.C.

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Introduction

*A. Doak Barnett
Ralph N. Clough*

Since Mao Zedong's death in 1976, China has entered a very new period in its history—a period best described as one of reform and development. Turning away from the emphasis on revolutionary struggle and ideological transformation that characterized the last years of the Maoist era, China's post-Mao leaders, under the slogan of “Four Modernizations,” now stress political stability and economic development rather than ideological struggle and class conflict. Pragmatic adaptation of policy to solve pressing concrete problems has replaced utopian efforts to transform society in the name of egalitarian goals.

The drive to achieve “Four Modernizations” by the end of this century calls for far-reaching changes in China's agriculture, industry, national defense, and science and technology. Zhou Enlai first articulated the general goal of modernizing China in these four areas in the mid-1960s and then again in the mid-1970s, but opposition from China's radicals prevented any basic policy shifts until after Mao's death. Major changes began when Deng Xiaoping emerged as the dominant figure in China's leadership in late 1978; the introduction of sweeping reform policies accelerated thereafter, especially after Deng had consolidated his political position during the period 1978–1981; and these reforms have been steadily broadened ever since then.

Some of the policies that have emerged since 1978 have roots in three earlier periods, especially 1956–1957, 1961–1962, and 1974–1975. Deng Xiaoping was in the forefront of those leaders favoring increased pragmatism throughout the 1960s and 1970s, as a consequence of which he was twice purged by Mao. As long as Mao lived, all efforts to shift in any major way from revolution to reform were aborted either by Mao himself or by radicals closely associated with him.

Since Mao's death, the purge of China's leading radicals, and Deng's achievement of primacy in the leadership, however, the shifts in policy

have been very dramatic, going far beyond what most observers would have considered possible prior to 1976. They are clearly changing the nature of the political, economic, and social systems in China in significant ways.

The authors of this book were asked to determine what the most important changes have been in five critical areas and to analyze not only what the new policies are but also the reasons for their adoption and their impact on China to date. In addition, the authors were requested to provide informed judgments on the likely consequences and prospects for success of these new policies in the years immediately ahead.

All of the authors are impressed by the degree of change that has already occurred in China, but they also make it clear that China's leaders will face major problems and obstacles as they continue in their attempts to alter China's political system, economy, military establishment, cultural life, and social structure. The situations and the prospects are by no means identical throughout the five areas discussed; nevertheless, the overall picture that emerges suggests that very far-reaching, even historic, transformations may now be altering the nature of the political and economic systems and of society at large. Although cautious in making specific predictions, the authors believe that, at least in the foreseeable future, China is not likely to turn back—either toward policies similar to those of the 1950s, when Chinese leaders regarded the Soviet Union as their model, or toward policies of revolutionary radicalism, comparable to those of the late Maoist era. However, the authors also believe that it is too early to judge exactly how far China will go down its present path.

In his analysis in Chapter 1 of China's political development in the post-Mao period, Harry Harding argues that recent reform policies in the political system can be understood only if one recognizes that at the end of the Maoist era the country faced a severe political crisis. China at that time, he asserts, represented a case of "decayed totalitarianism," and the steps taken since Mao's death in response to the crises of the 1960s and 1970s have resulted in very significant changes in the political system.

Harding discusses a wide variety of political reforms introduced in recent years, aimed at redefining the relationship of state and society, revitalizing all governing institutions, altering relationships between the Communist party and other political hierarchies, restoring unity and broadening the consensus within the leadership, preparing for an orderly succession, and changing the basis for political authority and legitimacy in China. Specific reforms already implemented have, in varying ways and degrees, reduced party intervention in ordinary

lives, allowed greater freedom of intellectual life, begun to build a legal system, widened grass-roots political participation, shaken up the regime's administrative bureaucracies, and altered personnel policies so as to put new emphasis on youth, education, and skills in recruitment of people for the bureaucracies and in promotion to posts of leadership.

Important achievements have clearly been made in all of these areas, as Harding notes, but opposition to change persists (coming more from conservatives, he believes, than from radicals), and there are limits to how far even the reformers are prepared to go. Harding labels the Chinese polity today a "consultative authoritarian" system, falling somewhere between the totalitarianism of the past and a fully democratic system. A key question now, he asserts, is how far "liberalization" will go. He believes that, although the "consultative aspects" of the system may continue to expand, the demands for more far-reaching liberalization are likely to be relatively weak, and conservative opposition to further liberalization may be strong. China, he concludes, is not likely to develop genuine pluralism, with autonomous organizations contesting for political power. In light of China's authoritarian traditions, this conclusion is perhaps not surprising.

The relationship between political and economic changes in post-Mao China is a complex one. The two areas are obviously linked, yet the extent of reform in one area seems likely to differ from that in the other. Clearly, a basic political shift had to occur before economic reform policies could be adopted. However, China's post-Mao leaders will probably be prepared to go even further in reforming the economic system than in altering the political system.

Dwight Perkins, in Chapter 2, analyzes what he describes as "seven years of uninterrupted efforts at economic reform," in which China has departed in very important ways from the Soviet-style system it had adopted in the 1950s. He focuses attention both on the causes of reform and on the prospects in the period ahead. In contrast to Harding's analysis, which maintains that China experienced a severe political crisis at the end of the Maoist era that set in motion the process of political reform, Perkins argues that what triggered the post-Mao economic reforms was not an acute short-term crisis in the economy but, rather, chronic long-term problems that could not be solved without fundamental changes in the system. The Cultural Revolution did, at the start, have adverse effects on the economy, but, as Perkins points out, growth resumed soon thereafter and, overall, both agriculture and industry achieved growth rates that were quite respectable during the final decade of the Maoist era. However, the growth rates were very deceptive, Perkins emphasizes, because the growth that was achieved required extremely high rates of investment,

involved great waste and inefficiency, was plagued by serious bottlenecks, and failed to improve in any significant way the living standards of most ordinary Chinese. According to Perkins, it was in response to these chronic problems—although not necessarily with any very clear understanding of them at the start—that Chinese leaders began to introduce economic reforms soon after Mao's death.

Perkins outlines the most important policy changes aimed at reform. One important move was the decision to end China's isolation and expand foreign economic relations—by developing international trade, importing technology, promoting exports, training Chinese in the West, borrowing abroad, encouraging foreign investments in China, and establishing special economic zones in several sectors to stimulate trade and investment. Another basic, far-reaching decision was to try to improve economic incentives throughout the economy.

The most dramatic reforms to date, Perkins points out, have been those in agriculture—especially the adoption of the “responsibility system” based on household contracts, which, for all practical purposes, has ended agricultural collectivization and has been a major factor boosting farm output to new highs. Urban and industrial reforms, which aim at increasing enterprise autonomy, reducing central planning, and expanding the role of market forces, are still in their early stages and have a long way to go to be effective.

Perkins asks, as does Harding, how far the reforms—in particular, urban industrial reforms—are likely to go, and what further steps would be required to alter the basic nature of the economic system in China. If the program of urban and industrial reforms announced by the Central Committee in October 1984 is to be implemented effectively, Perkins argues, certain major changes must be brought about so as to ensure, first, that the necessary inputs into production are available on the market; second, that enterprise managers will respond to market signals; third, that prices are realistic and reflective of relative scarcities; and, fourth, that there is real competition among economic enterprises. Perkins emphasizes that each of these changes is complex; moreover, all are interrelated, and they must be introduced in tandem.

In light of the changes made so far and the unavoidable difficulties that lie ahead, how, in general, should one assess the prospects for economic reform in China? Perkins believes that because the agricultural reforms have benefited a large majority of China's rural population and have contributed to the remarkable successes in agricultural growth, it would be difficult for future leaders to try to reverse the rural reforms—especially the household contract system. In the industrial sector, progress has been slower than that in the

agricultural sector and resistance to reform has been greater; nevertheless, Perkins believes, there is now some “built-in momentum toward reform,” even in the industrial sector. Overall, therefore, he judges that economic reform is not simply “a slender reed”; neither, however, is it yet “unstoppable.” In his judgment, it is still too early to know “whether China’s economic system will retain the key features of the Soviet command model or will evolve into something quite different.” The outcome will be determined, he believes, by events during the second half of the 1980s.

Perkins is cautious in predicting how far economic reform will go, and his caution is certainly justified. Yet, it is significant that he believes there is important support for continuing reforms; that the agricultural reforms have already reached the point where any reversal would be difficult and is therefore unlikely; and that, despite all problems and resistances, there is momentum toward further urban and industrial reforms.

Any serious examination of overall trends in China must include an analysis not only of the polity and economy but also of the trends affecting the military establishment. Throughout the modern period, military leaders and forces have played critically important roles in China’s development—and they have been greatly influenced, in turn, by general political and economic trends.

In his discussion of the Chinese “defense establishment in transition” in Chapter 3, Paul Godwin focuses his attention on military modernization as one of China’s “Four Modernizations,” rather than on the changing political and economic roles of the People’s Liberation Army (PLA). His analysis of reforms in the military establishment thus complements Harding’s analysis of political reforms and the analysis by Perkins of economic reforms.

Godwin’s discussion makes it clear that current Chinese defense modernization policies parallel and reflect the overall thrust toward realism, pragmatism, and moderation in the political and economic spheres. In abandoning old dogmas rooted in China’s revolutionary past, China’s military leaders are now “modernizing” the PLA’s doctrine and training as well as its equipment. Moreover, as Godwin notes, instead of basing defense policies on short-term considerations, the Chinese view the task of modernizing their defense establishment essentially as one part of the broad, long-term process of overall national development in China.

Currently, military modernization rates fourth among the “Four Modernizations” as an investment priority. According to Godwin, the Chinese see no immediate military threat requiring a huge short-term increase in investments in the armed forces; in addition, they recognize

that at present they could not, in any case, effectively absorb massive infusions of new military technology. With limited resources, they are therefore attempting, incrementally, to improve the combat effectiveness of their existing forces; but their primary aim, in Godwin's view, is gradually to develop, over the very long run, solid foundations for a defense establishment that can both create and sustain modern forces—without any dependence on external technology or supply. Toward this end, they are now stressing in particular both the need to improve the training and structure of the officer corps and the need to redefine military doctrine and strategy under the slogan “People's War Under Modern Conditions.”

The long-term Chinese goal requires the creation of a broad modern industrial base to produce up-to-date military equipment, rather than large-scale importation of such equipment. Although the Chinese will import selected defense technology, Godwin says, their primary stress will be on the development of China's own capabilities. The Chinese recognize that this development calls for broad-based civilian as well as military-related industries and also for increasing cooperation between the civilian and military industrial sectors, rather than a crash program giving priority to military modernization.

Godwin maintains that even though major debates have occurred over defense modernization policy, and although there is still some opposition to certain reforms—especially, perhaps, those aimed at reforming the officer corps—Chinese leaders are now confident that over the long run they will be able to build a technological and industrial base capable of sustaining modern forces independently. Moreover, although the current situation is a transitional one, in which policy aims at overcoming military weaknesses only gradually, Godwin argues that China's military elite now “knows where it wants to go.” He also asserts that, by the end of the century, China will have reduced the “gross disparity” between itself and other major powers, and that China's military establishment will be very different from what it is today—“if the current pattern of defense modernization endures.” He does not state explicitly whether he thinks the pattern will endure, but the general thrust of his analysis suggests that he believes it will.

In China, although the military establishment has frequently played extremely important political and social roles (in fact if not in theory), the country's ideal has been rule by an educated elite. China's bureaucracies traditionally were staffed mainly by civilian scholar-bureaucrats, who enjoyed much higher status than military men. In the modern period, intellectuals have carried on this tradition in some respects, and, even though they have seldom exercised great political