



South China Morning Post

Why China at 70 needs to listen to the voices of those it silenced

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September 30, 2019

On October 1, 1949, Mao Zedong proclaimed the founding of the People's Republic of China before a huge crowd in Tiananmen Square. After three years of gruelling civil war with the Nationalists under the command of Chiang Kai-shek, Mao had emerged as the victorious head of the world's largest communist country. During his tenure as chairman of the Communist Party, until his death in 1976, Mao ruled with an iron fist.

He imitated the Soviet system of central planning, outlawed capitalism and private property, collectivised agriculture, destroyed family life by mandating large-scale communes, and placed the party/state above the people in all aspects of life.

The model of state-led development, which Mao supported, was one that favoured autarky over open markets and international trade, depriving China's people of the advantages of specialisation according to comparative advantage, and stripping them of the benefits of free trade.

The absence of competitive markets for resources, goods, and ideas severely handicapped China's development.

While Mao concentrated on increasing the power of the state and suppressing individual freedom, Deng Xiaoping began China's economic liberalisation movement under "socialism with Chinese characteristics".

China's future will depend to a large extent on reopening the market for ideas and ending the party's monopoly on power by adopting a genuine rule of law to protect persons and property.

The pragmatist Deng recognised that China's future prosperity depended on reform and opening up to the outside world. By experimenting with new forms of ownership, and creating special economic zones, Deng facilitated the rebirth of entrepreneurial activity and the growth of the non-state sector. Peaceful development was more important to Deng than class struggle.

China prospered greatly under Deng's leadership, until the Tiananmen uprising in 1989, at which time Zhao Ziyang, a key figure in the reform movement, was ousted as general secretary of the

Communist Party and put under house arrest for opposing the use of force to end the occupation of Tiananmen Square.

From 1980 to '87, Zhao had helped guide economic policy as China's premier. In September 1988, following a conference in Shanghai organised by the Cato Institute and Fudan University, renowned US economist Milton Friedman met Zhao in Beijing. Zhao told Friedman, "Our biggest problem is that everything is owned by the state."

In his secret memoirs, recorded while under house arrest, Zhao recognised the importance of international trade, the value of market prices (admitting that he regretted his failure to institute price reform), and the need for political as well as economic reform.

He thought that the best system of government, and one that China should aspire towards, was a "Western parliamentary democratic system".

According to Zhao, "If a country wishes to modernise, not only should it implement a market economy, it must also adopt a parliamentary democracy as its political system. Otherwise, this nation will not be able to have a market economy that is healthy and modern, nor can it become a modern society with a rule of law."

To reach that goal, argued Zhao, "two breakthroughs" were necessary: one, the ruling Communist Party needed to allow competing parties to emerge along with freedom of the press, and two, the party needed to "use democratic means to reform itself".

Most importantly, he wrote, "the existence of legitimate differences of opinion must be allowed within the party", and "the reform of the legal system and an independent judiciary should take precedence".

Zhao passed away in 2005. His journal was published in 2009. Today, Xi Jinping, China's "president for life", is moving in the opposite direction to the one that Zhao advocated.

Although Xi has called for free trade in goods and services, and the party has championed "emancipation of the mind", the reality is that China has backtracked on its economic liberalisation initiatives and is cracking down on the free market for ideas.

The recent closure of the Unirule Institute in Beijing — a leading advocate for free markets, limited government, and the rule of law — is a strong sign that China under Xi will not tolerate even the slightest deviation from party rule.

Indeed, in his address at the Communist Party's 95th anniversary (July 1, 2016), President Xi stated: "Turning our backs or abandoning Marxism means that our party would lose its soul and direction."

In 1978, Article 45 of the Constitution of the People's Republic guaranteed individuals "four big rights": the right to "speak out freely"; "air their views fully"; hold "great debates"; and "write big-character posters".

Those rights were quickly reversed in 1980, in order to protect the party's monopoly on power and close the market for ideas. China's future will depend to a large extent on reopening the

market for ideas and ending the party's monopoly on power by adopting a genuine rule of law to protect persons and property.

China's challenge, as Premier Li Keqiang has stated, will be "to get the relationship right between the government and the market" and to boost the "vitality of the market".

The 70th birthday of the People's Republic of China should be a time for celebrating the progress China has made, primarily since the reform movement began in 1978.

But it should also be a time for looking forward and making sure that the voices of Zhao Ziyang — and many others who have been silenced by the state — are heard once more.

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