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China Transformed, but Can Autocracy Survive Changing Generations?

October 11, 2015 Doug Bandow

Shanghai, China's financial capital, enjoys a double skyline. The city proper, or "old city," sports a fascinating mix of colonial buildings and modern architecture. The "New Area" of Pudong has its own skyline, highlighted by Shanghai's four tallest structures, on the east bank of the Huangpu River.

The city buzzes, with businessmen flowing through the airport and tourists overrunning the Bund, part of the old foreign concession on the Huangpo's west bank. Expatriates are a common site and earn nary a second glance from Chinese residents, in contrast to many areas of China. Luxury hotels and shops beckon to Chinese as well as foreigners. The old impoverished imperial domain has disappeared.

The transformation is startling.

I first visited Shanghai a couple decades ago. Even then a major metropolis, it was impressive only compared to what it once looked like. The Western concession, filled with century-old European buildings, had been forcibly extracted from a weakened Chinese empire and disappeared only after the communist revolution. Dilapidated buildings still lined narrow streets in what had been the Chinese quarter. There were few buildings, commercial or residential, racing skyward. Pudong was mostly empty, with more brush and trash blowing down the streets than buildings with people working in them. Roads were filled with bicycles and motor scooters.

City and country were abandoning their communist past, but it wasn't obvious how far and fast they were going to move. The gulf between what remained the People's Republic of China and the West was huge. Perhaps the most important sign of progress? The new Pizza Hut sported a clean porcelain Turkish-style toilet, that is, a hole rather than seat. But it was a nice, clean hole.

This was the new China.

Beijing has undergone a similar transformation. In 1992 I exited North Korea through China's capital, which left me feeling that the PRC was a modern and wealthy country, even though it really was neither. There were new offices, hotels, and stores, but their presence was rare and unusual, even striking. Today the streets are lined with gleaming modern buildings. In some areas low rise office structures take up entire city blocks. Elsewhere high-rises touch the sky. The traffic jams are constant, extraordinary even for a resident of Los Angeles or Washington, D.C. With the profusion of malls, luxury retailers, sports cars, and fashionably dressed Chinese, this is not Mao Zedong's Beijing.

Shanghai and Beijing are what most foreign visitors see. These cities also are the PRC's face to the world. The China with the world's second largest economy, the China investing in Africa and South America, the China aggressively asserting its territorial claims in nearby waters, the China playing an increasing global role, the China seen as America's next great rival, and the China capturing world attention at the United Nations.

Yet there is another China. On my latest trip with several journalists I visited Taiyuan, capital of Shanxi Province, about 250 miles from Beijing. A city of 4.4 million at the prefectural level, Taiyuan hosts significant new construction and even sports a luxury Kempinski hotel. But while prospering, the city remains much lower than Beijing or Shanghai on the growth curve. There are just 800 foreigners there, mostly English teachers.

More distant towns offer a vision into the past -- more traditional, less advanced, more isolated. My group visited Inner Mongolia and stopped at Fengzhen for lunch. I didn't see any other Westerners; some Chinese who saw our small bus shouted "foreigners" as we drove by. Yet the city seemed busy and prosperous. Indeed, in recent years Inner Mongolia has benefited from rising resource prices. The city apparently was undergoing its own construction boom: in some sections of Fengzhen there were new broad boulevards, devoid of cars and people. Different regions in China obviously are moving at different speeds, yet movement appears to be the rule.

Shift to the nearby countryside and incomes drop substantially, averaging less than \$2000 per capita. We stopped by the remains of an ancient fortress and the Great Wall, which required walking along dirt roads lined by homes constructed with bricks taken from the ruins. The primitive toilet had holes in the wooden floor, through which the ground was visible.

However, while poor, the residents, too, were increasingly better off. The main street, if it deserved to be called such, sported two stores with modern food and sundries. I spotted a farmer leading two cows with one hand while looking at his cellphone in the other. A half century ago these people would have been eking out a minimal existence, soon to face starvation during the convulsions of Mao Zedong's misnamed "Great Leap Forward." But now modernity and tradition meet even in rural China.

Much depends on China's future. Yet it's impossible to predict where the country is going. Political and business leaders alike agree that economic development remains Beijing's priority. There is satisfaction in the PRC's recent achievements, but also awareness of its limitations. As evident in its countryside, China remains a relatively poor developing state. An increasingly ambitious and connected younger generation especially worries about jobs. And continued economic growth is the Chinese Communist Party's principal claim to legitimacy. Otherwise, why should this group, especially "princelings" descended from long deceased revolutionary leaders, rule?

National pride mixes with personal frustration over government restrictions on liberty. Virtually everyone, including CCP officials, publicly affirm the importance of democratic values and human rights. But they soon follow with warnings against threats of disunity and the sort of chaos evident in the Arab Spring. Similar fears sometimes are expressed even by the Westerneducated and young, who speak of the need for gradual and incremental change. Some point to America's political and economic struggles as evidence that its time -- and, indeed, that of the West's enlightenment philosophy more generally -- is coming to an end.

Yet it's not hard to find younger Chinese who speak with horror of what their parents went through during the Cultural Revolution. Criticism of government policy is freely expressed in conversation. Censorship and repression usually appear only when such sentiments are magnified through social or traditional media.

No one outside of government seems happy with internet restrictions, which generate criticism, even scorn. However, some of the same people noted that bans on sites such as Twitter, YouTube, and the *New York Times* were of interest mostly to elites who speak English and look beyond China. And these people are most able to circumvent such restrictions.

While there are American-style liberals in China, some intellectuals and others view freedom through a different, and they say Chinese, prism. Some reject U.S.-style democracy without exactly affirming CCP-led autocracy. Everyone wants to be heard, but they don't necessarily want everyone else, especially the rural masses, to be heard.

Nationalism governs how people view relations with the U.S. No one in the PRC wants conflict with America. Although China's military power is growing, that of the U.S. is unmatched. Moreover, Beijing policymakers are aware of the close economic connection between the two nations which has proved to be so profitable for the PRC. War would risk a prosperous future, if not threaten economic ruin, especially with China already in the midst of an economic slowdown, highlighted by the collapse of Shanghai's stock market. Finally, China has not been aggressive outside of areas seen as traditionally Chinese; indeed, Beijing has peacefully settled the majority of its recent territorial disputes.

Still, virtually everyone backs their government's territorial claims in the Asia-Pacific. In broad outline, the consensus is that these lands were historically China's. Beijing's claims never lapsed, but could not be asserted while the empire was subjugated and dominated by other powers. But now Beijing is only demanding what is China's, and is doing so in response to the provocations of others. The failure to assert control over every contested rock in nearby waters is asserted as evidence of restraint. Perhaps the most ominous comment came from a researcher who noted that some policymakers may regret the course Beijing has recently taken, but it is extraordinarily difficult for governments to back down in such disputes. Of course, that is as true for China's antagonists as well, making the situation doubly dangerous.

Yet it's hard not to come away from visiting China with a sense of hope. The country is so much more prosperous than in years and decades past, which increases Beijing's stake in a stable international order. The PRC also is freer than it was in recent decades, despite the recent crackdown on dissent: the Great Firewall has not isolated and cannot isolate 1.3 billion people from the world. Religion is spreading despite attempts to reduce its visibility. Criticism is widespread, even though such views cannot be broadcast.

While Chinese international power undoubtedly is increasing, Beijing will remain constrained by poverty, demography, and geography. A more assertive foreign and military policy has encouraged the PRC's neighbors to arm themselves, cooperate with their neighbors, and move toward the U.S., a dubious trifecta for China. Although some PRC officials cite American weakness, most appear to recognize their own nation's limits as well. Of course, foolish

politicians often do stupid things despite the clarity of hindsight. But the CCP can ill afford to underestimate America's amazing resilience.

Even as China seems to be exploding into the future, Mao's shadow -- and often portrait -- hangs over Chinese life. People continue to struggle with their assessment of him. A nationalist, he played a key role in creating modern China, he was probably the greatest killer in history.

Visitors continue to throng his mausoleum in Beijing and some people, especially in the countryside, still show their veneration of him. However, he would not recognize the country today. And despite fears that President Xi Jinping is seeking to become another Mao by amassing power and building a cult of personality, the Chinese people also are very different today. History's lessons from Mao's misrule remain evident to all, even though obscured by the CCP.

Peace is not inevitable, of course. But neither is war. Both sides need to work to make the latter possibility ever less likely As they are doing in Shanghai, where the Chinese have built a modern, world-class city out of colonial humiliation. Yet citizens of the one-time oppressors are joining to create a prosperous city and nation.

The time when Pudong appeared to be the fantasy of a mentally addled bureaucrat is receding ever further into the mists of time. Today Shanghai is a natural in its new financial role, just like London and New York. Hopefully its success, and that of the rest of China, will help keep the Chinese people focused on building a peaceful future.

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