

The Gang of Three

Mao, Jesus and Hayek

William McGurn

The transformation of China is real, not because the leaders in Beijing want such change but because their openings to trade and investment have led to cracks in the system which the Chinese people are quick to exploit.

High atop the red Ming walls overlooking Tiananmen Square, the air is pregnant with China's past. One-half century ago, from the same rostrum where emperors once handed down their edicts, a triumphant Chairman Mao proclaimed the birth of a People's Republic. Also filled with history is the square below, which has become a focal point for Chinese student protest, from the May 4 Movement of 1919 to the pro-democracy demonstrators cut down so tragically 70 years later.

But in one of those delightful ironies peculiar to surviving communist societies, the portrait of Chairman Mao today stares out at the Golden Arches of a McDonalds looming up from the opposite side of the square. Now, no less a historian than Samuel Huntington has snickered about confusing the Magna Carta with 'the Magna Mac'. And certainly it is true that the opening of markets, which China has been doing incrementally since 1979, does not lead, hesto presto, to Westminster democracy. Yet it is no less true that the presence of McDonalds here both reflects and contributes to the awesome changes transforming the Chinese landscape.

A prominent conservative once dismissed the view that markets can open up totalitarian countries as 'reverse Marxism.' But the evidence inclines to a Friedmanite view of things. Asian Communists no longer boast, à la Khrushchev, of 'burying' capitalism. To the contrary, they recognise that development has forced them into a damned if they do, damned if they don't situation: the risk of becoming a South Korea if they open up and the certainty of becoming a North Korea if they don't. And as much as intellectuals would like to believe otherwise, it is not just the *Wall Street Journal* and the BBC that have their salutary effects. A Chinese man I met in Guangzhou

once confided to me that the most revolutionary things he ever saw on TV were the reruns of the American cop shows like *Hawaii Five O* and *N.Y.P.D. Blue* beamed in from neighbouring Hong Kong. Watching those shows, millions of ordinary mainlanders saw American police officers reading the Miranda warning to those they arrest—rather a revolutionary concept in the People's Republic.

My own views have been slow to evolve. I was suspicious of the laurels being heaped on Deng Xiaoping for his 'pragmatism' in the mid-1980s. It did not appear that anything dramatic was in the offing from the limited openings to trade and investment that Deng had helped make possible. And my visits to China generally confirmed suspicions about a dreary country mired in poverty and stuck with a totalitarian government.

Over the years, however, the slow accretion of experiences has persuaded me that the transformations we see in China are real, not because its leaders want such change but because those openings they have created constitute cracks in the system that people are quick to exploit. In the grossest terms, the bankruptcy of the socialist system, as much as real market openings, means that much of what was once provided by the state—housing, health care, retirement, livelihood—has become something the Chinese people are doing for themselves. It is inconceivable that even on this level such a shift should be without social and political consequences.

In trying to communicate how I see these changes, I

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thought I would use three handy foils: what I call the Gang of Three—Mao, Jesus and Hayek.

Mao

For many people the image of Mao is inseparable from that of the Chinese government. Though Mao was downplayed for a time, his persistence on the wall overlooking Tiananmen, not to mention the corporal remains that rest in state on the square itself, signals his continuing importance to the regime in Beijing. This is true notwithstanding that Mao's successors have moved fast and hard in the direction opposite from which Mao had laid out, that the phrases used to justify this shift—for example, 'a socialist market economy with Chinese characteristics'—are in fact rhetorical devices to get around the awkward facts of jettisoning the Maoist principles that wreaked such damage on China.

Yet the need to not take Mao head-on points to a genuine dilemma for those of us who understand that China's future freedom (not to mention morals) ultimately depends on its embrace of the market. The difficulty is that in the transition from totalitarian rule to what we hope will be a more liberal form of government, the middle is not pretty. In this stage the government retains considerable control over resources while allowing for personal profit, which is not capitalism but fascism.

Up and down the line, for example, Chinese ministries own their own business conglomerates. Next is the provincial level, right down to the town level; if the People's Liberation Army were considered as a business, to name but one example, it would be a Fortune 500 company. So what you have is a people who now know what they've been deprived of, are presided over by an increasingly ineffectual but brutish government, and are lorded over by well-connected *nouveau riche*—not infrequently high state officials themselves.

Jesus

Mao, who thought he was God, leads me to my second topic: Jesus, who *was* God. More specifically, I mean Christianity. Christianity is not the only religion to run up against the vestiges of Maoist control in today's China—look at the ongoing crackdowns on the Falun Gong—but it is among the more prominent. But here China has a problem. Because as it opens up, crackdowns on Christian Chinese engender understandable outrage in America, not only from Christians but also from non-

Christians. Many of those people now demand that we cease trading with China until it begins respecting religious freedom. My own experience teaches me that to pit religious freedom against trade is not only wrong, but it generally hurts those whom it aims to help.

My first foray into a Chinese church was in 1988, when I visited the Natang, or South Church, in Beijing. After the Mass the congregation dispersed quickly, reluctant to be seen talking to foreigners. Today up to three-quarters of the Catholic bishops in the government's patriotic association have secretly reconciled themselves with the Vatican. Of course, there remain many Christians harassed for their faith. On the World Wide Web, one can tune into www.freechurchforchina.org to see a video clip of a Catholic church in Fujian Province being destroyed. Again, whatever the intended outcome, market openings have increased the de facto freedom of the churches and opened up the possibility for communication with their brothers in faith overseas.

The pro-market side needs to concede that the situation in China remains far from good and that it is only the threat of sanctions that persuades Beijing to move on some things. But the pro-sanctions side needs to recognise that the world has not stood still waiting for the perfect piece of US legislation. China's critics have no shortage of real violations to point to—the arrest of bishops, the sentencing of evangelicals, and the harassment of churches—but they are wrong about the context. As bad as it can be today, this is not 1966.

Specifically, by opening their doors to trade and investment, the Chinese people have set off a chain of events that each day expands the margins of opportunity. One example: In August 1997 *The New York Times* carried an article about a Sichuan village where couples can now pay a fine instead of having their second babies forcibly aborted. Is this freedom? Of course not. Is it better? Yes. As the *Times* noted, 'Economic growth is eroding the old system of control over ordinary people's lives, creating loopholes large and small'.

How different this is from the atmosphere that prevails in societies in which the United States has played the embargo card for decades; North Korea, Cuba, and, until very recently, Vietnam. In many ways, what we now see is classic Marx: The rise of a merchant society created a power base that tempered that of the monarchs. What would be the effect on religious

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freedom if, for example, instead of trying to cut off trade, American Christians went into China to make business deals with their coreligionists? If US Catholic universities sponsored more scholarships for Chinese clergy? If instead of cursing the darkness, conservative Christians began lighting a few more candles—by, say, pushing their congregations to adopt sister parishes in China?

Hayek

F.A. Hayek could not have put it any better than the *Times* story on forced abortion in Sichuan. Central to Hayek's thought was his notion of 'spontaneous order'. At a time when intellectuals across the world associated progress with planning, Hayek posited a theory of spontaneous order emerging from the bottom up, as people made their own arrangements and developed institutions accordingly, taking into account not only goals but also culture, traditions and values.

That was too messy for most intellectuals, who preferred the crisp rationality of, say, a five-year plan. But Hayek argued that a workable messiness was the price of freedom, just as force was the inevitable conclusion of socialism. Small wonder that an internal Chinese Communist Party translation in 1962 of *The Road to Serfdom* characterised Hayek's work as 'full of poison'.

As Mao Yushi will tell you—his think tank two years ago caused a stir by publishing a Chinese version of Hayek's *The Constitution of Liberty* and holding a conference on it—even though Hayek never wrote about China, his writings are immediately understandable because the Chinese people have firsthand experience in living without property rights. Even the man who doesn't own a printing press, Mao Yushi's associate told me, has a stake in seeing that someone else does—or else he will have no access to independent information. On the streets of Beijing the vivid improvements in housing, diet, transportation and fashion illustrate the point: Other people's property rights give us options. And that explains why even a colonial Hong Kong with no democracy was still arguably the freest place in Asia.

It is hard to look at today's China and not see early signs of the spontaneous order Hayek so celebrated. The unevenness of the process can be frustrating. But in China liberals understand that the government cannot just decree freedom, even were it so inclined. Far better to expand the boundaries of the possible and allow nature to take its course.

Conclusion

None of this is to say that the West should not be firm with China, since the hard old men in Beijing are acutely sensitive to criticism. But we should now recognise that a country where the Golden Arches now look across Tiananmen Square from the balcony whence Mao once addressed the throngs of Red Guards, where millions of Chinese now have email and access to foreign Web pages, and where Christianity can no longer be dismissed as a foreign import—that such a China exhibits possibilities lacking only a few years ago and that ought to be encouraged and pushed.

In April 1999, Communist officials were taken completely by surprise when more than 10,000 adherents of a quasi-Buddhist movement of breathing and healing exercise, the Falun Gong, surrounded the compound where party leaders live and work, demanding that the government recognise their sect.

The truth is something the party has to fear, not those of us who believe in more freedom. That is why the party has been sentencing them in secret one-day trials that it dare not report to its own people. Perhaps 30 years ago an isolated China might simply have given to dissenters its traditional answer: the club on the head. But today, the advance of communications plus China's own efforts to reach out to the world economy will make it exceedingly more difficult to crack down as effectively as it once did.

The delusion of both the right and the left is the notion that we can come up with some legal blueprint for China and sell it to China or bully Beijing into adopting and it and—voilà—China will be free. Stirring declarations of rights and justice will always enjoy the dramatic advantage, but people who have to live under repressive regimes typically have different priorities. The left dislikes China today because people are making money. But the right's delusion is that you can't have full freedom until it is enshrined in the law.

During China's commemoration of the 50th anniversary of the founding of the People's Republic, the papers were full of op-eds and editorials telling us of a Chinese leadership whose spots have not changed much in the 20 years since Deng opened China's door. The papers may well be right. For it is not clear that China's leaders fully comprehend where the market is taking them. If Hayek is right, it may be better that they don't.

References

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