

China's Year in Review—and the Challenges Ahead

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As we enter a New Year on the solar calendar – indeed a new decade – and prepare for a lunar New Year, Canadians can celebrate a new page in Canada's relations with China. Prime Minister Harper's successful visit to China in December marked a milestone in the bilateral relationship and offered the promise of new opportunities and a new climate of cooperation. So it seems appropriate to review developments in China for the past year with a view toward building a realistic set of expectations for the year(s) to come.

The past year has seen China's continued achievements in development and international cooperation. These demonstrate to the world that a great nation has taken its place in the global community. China's leadership in global efforts to respond to the 2008-09 financial crisis was instrumental in building an international consensus on bringing stability and restoring growth to world markets. China's effectiveness in the international financial community was made possible by the credibility and respect that resulted from the success of China's own economic recovery. China's economic stimulus package demonstrated the effectiveness of targeted government intervention in response to economic crisis. Linked with the Western Development Strategy, China's rural development program revealed the government's commitment to ensuring that economic growth would benefit not only the coastal urban areas, but also the people of China's rural interior. A new public healthcare program enacted early in 2009 affirmed a commitment to meeting the medical needs of all China's citizens. The initiative to move forward with these policies despite budgetary constraints speaks volumes about the government's priorities of ensuring public wellbeing in the face of the challenges and dislocations brought on by China's break-neck pace of economic growth. At a time when the pressures of globalization and the distortions of unrestricted market capitalism tend to diminish attention to the public goods that are the foundation for sustainable development, China's programs on strengthening social wellbeing are examples for other economies.

Yet issues remain that are in need of serious attention. The government's preoccupation with stability continues. The challenges to political and social stability in China are intimately intertwined with government policies on economic development. Imbalances between economic growth and social and political community-building have led to a number of vexing contradictions. While

economic growth is needed to ensure full employment, the conditions of employment are often problematic. Disparities of income and wealth continue to widen and are associated with the misuse of political and security institutions for the benefit of local corrupt interests (links between corrupt officials and criminal gangs in Chongqing, while noteworthy, are by no means an isolated example). A large number of officials in China use the rhetoric of stability to repress legitimate activities that confront their own parochial interests. Efforts to address corruption have been undermined by the continued exclusion of the People's Procuracy and the Courts from the processes of enforcing Party discipline. Driven by economic growth, environmental degradation continues at an alarming rate. As well, relations with minority nationalities continue to be marred by tensions and violence that often are the result of economic growth policies. China's growth policies have challenged friendly relations with neighbouring countries, while Internet attacks and censorship have diminished international cooperation on the exchange of information.

Compounding the extent and depth of these challenges, there seems to be emerging a disturbing rigidity and resistance by the regime against efforts to improve policies and policy making. In the ongoing cycle of relaxation -- "*fang*" -- and restriction -- "*shou*" -- defensiveness seems to be order of the day. Debate over policy and politics are increasingly discouraged. In the tradition of courageous intellectuals like Liang Qichao and Lu Xun who struggled during earlier periods of crisis to illuminate possible futures for China's development, intellectuals who work courageously to articulate alternative paths for China's prosperity today can face lengthy prison sentences and other punishments. In particular, intellectuals such as Liu Xiaobo associated with "Charter 08" have been treated harshly, even though the Charter itself affirms many of the principles upon which the People's Republic was established. Political and legal institutions authorized by the government have also become subject to abuse. Lawyers like Gao Zhisheng have been punished for using the very laws that the Party and state have approved to defend citizens' legal rights and interests. Individual citizens seeking redress through "letters and visits" and through legal action brought by attorneys licensed under China's legal system have been subject to abuse and even imprisonment.

There are various causes underlying these developments. At the central level, fears by the government and Party leadership over increased unrest resulting from social and economic inequality have generated government support for social welfare policies, but also have contributed to increased repression of dissent. At the local level, abuses of power by local officials protecting often-corrupt networks of favouritism and patronage account for a significant proportion of the official crack-downs on public comment and activism. A major element across the many levels of government in China is the challenge to institutional capacity -- political-legal institutions are unable to resolve dilemmas of inequality and injustice or to provide meaningful mechanisms for redress or accountability against officials.

The legitimacy of China's Party and government will depend on whether conditions that diminish China's greatness can be dealt with effectively. Great nations accept vigorous debates over issues of public concern. Such governments are prepared to articulate and explain their preferred policies and priorities rather than simply arrest and imprison those who disagree. Great nations encourage all sectors of society to access the rights and institutions that have lawfully been made available to them. Confucius understood this as he esteemed the value of all human beings and articulated the principle of *shu* (reciprocity) that urges political leaders not to impose on others what they themselves would not choose to accept. These principles of humanism and reciprocity could usefully guide approaches to addressing the multiple challenges that China faces today. Thus, the legitimate priority given to economic growth could be coupled with close attention to the impacts that economic growth have on the community – directly as well as through broader social and environmental impacts. The legitimate attention given to stability might be informed by notions of reciprocity, tempering repression by local officials. In searching for the difficult balance between stability and initiative and between growth and justice, the Party and government might take inspiration from the contemporary wisdom of Deng Xiaoping, who argued for fresh approaches to doing things and urged the Party to embrace ongoing reform.

China's greatness is embedded in centuries of history and culture. In the past, China's greatness has been demonstrated in the economic sphere. As we begin a new decade and a new phase of Canada-China relations, the hope is that China's greatness can be made evident in the realm of popular participation. While the government readily and with good reason asserts the principle that China's future is up to the Chinese people to determine, the Chinese people in fact have few opportunities for informed participation in governance. Combined with China's economic miracle, a miracle of political reform would bring strength to the country. The greatness of the Tang empire and later the rule of Qianlong, to name but a few examples, demonstrated that China's strength has been bolstered historically by conditions of diversity – diversity in the economy, diversity of life styles and diversity of ideas. Great leaders show tolerance for diversity, confident that their greatness and the greatness of their people are strengthened by such tolerance. Far from the limited vision of parochial interests and distinct from the rigid orthodoxy of timid officials, a greater visionary tolerance for political diversity would demonstrate to the world the greatness of China and its leaders. In the coming Year of the Tiger, I hope that attributes of courage and compassion will inform the responses of the Party and government in China to the challenges before them. China has achieved great things in the past decade. Friends of China continue to hope that even greater achievements are in store for the future.