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## Statement

### Congressional-Executive Commission on China

"The 20th Anniversary of the Tiananmen Square Protests:  
Examining the Significance of the 1989 Demonstrations in China and Implications for  
U.S. Policy"

Thursday, June 4, 2009

2:15 p.m. to 4 p.m.

Dirksen Senate Office Building, Room 62

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June 1, 2009

I wish to make the following statement regarding the significance of the 1989 Demonstrations in China and their implications for U.S. Policy today.

It is important to understand why events of June 4th, 1989 occurred as they did. China started market oriented reform in 1978. Three results soon came from this economic reform. First, fast growth. Second, it led to the negation of the CCP's revolution and the legitimacy of the CCP regime itself. The purpose of the revolution and the communist new regime was to destroy capitalism and establish socialism. Now that you have got rid of socialism and reintroduced capitalism, don't you have to admit the revolution was a mistake? Therefore, economic reform is not the self perfection of the revolution and of the one-party dictatorship, but their negation. The third result is corruption. As economic reform went, official business dealings and manipulations thrived, and corruption became more widespread. The widespread corruption caused widespread discontent and became a reason for the 1989 democracy movement.

The 1989 democracy movement had two slogans. One was "freedom and democracy", and the other was "no official business dealings, no corruption". The 1989 democracy movement caused unprecedented split within the CCP leadership. The moderate faction led by Zhao Ziyang was opposed to martial law and crackdown. At that time, a quarter or even a third of the officials in Beijing joined the protesters. Most of the rest also were sympathetic towards the students. Such was the degree of the split. However, Deng Xiaoping cruelly suppressed the democracy movement with the army. Why did Deng suppress the democracy movement? Is it because he still believed

in socialism? No. Not at all. Deng stopped believing in socialism a long time before. Deng's aim was solely to maintain CCP's autocratic power.

The June 4th massacre set the reforms in China down the wrong path. During the first year or two after the massacre, as a result of the dramatic changes in Soviet Union and East Europe, the CCP was very anxious and fearful. To maintain their power, CCP leaders proposed guarding against "peaceful evolution". They opposed capitalism not only politically, but economically as well. As a result, economic reforms came to a sudden halt and even backslidden.

Yet, in the spring of 1992, Deng Xiaoping proposed accelerating economic reforms without asking whether they were socialist or capitalist. He clearly understood that the socialist economic system was not working, and ending reforms meant running into a dead end. He knew that, after June 4th and the changes in Soviet Union and East Europe, socialist ideology was all but dead, and the CCP regime lost its ability to cheat in this regard and could rely only on naked violence. In this situation, it was impossible, and unnecessary, to maintain a socialist facade. Violence had its advantages. It required no pretense and therefore was subject to no restraint. Earlier economic reforms were handicapped by the fear of being labeled capitalistic. Now the fear was gone, and more capitalist elements could be introduced. In this way, China's economic reforms moved faster and further after 1992.

Because the democratic forces in the CCP and the nation were suppressed after June 4th, the economic reforms in China after 1992 unavoidably became privatization among the powerful. In the name of reform, government officials of all ranks morphed into capitalists; assets owned by the people as a whole became private assets of officials. Such reform could not have happened without the June 4th massacre. In the reform of publicly owned companies, for example, hundreds of thousands of workers were laid off and given very little compensation. Without the June 4th massacre, those workers would have formed unions, and the government would not have dared to abandon them. In short, the massacre, by creating universal fear and cynicism, gave the rise to the economic efficiency based on the deficiency in human rights. The irony is that this kind of reform, while morally reprehensible, was perhaps for a certain period of time the easiest to carry through successfully. The economic reform of socialist countries consists of making the transition from public ownership to private ownership. It is a task much easier said than done. Some people compared it to "turning fish soup back into fish."

Russia and East Europe mainly used the method of "division": assets were divided into shares and then awarded to everyone. The advantage of this method is that it is fair and acceptable to all. Since assets were supposedly owned by the whole people, the most reasonable privatization plan was to award assets to everyone equally. This is the so called the privatization among the masses.

But this method has its own shortcomings. Shares are left far too dispersed in this approach; everyone has a share, but at the same time, everyone has only one share: in the end, no one really cares about operational efficiency, thus perpetuating a managerial weakness inherent in past ownership. It requires a period of competition during which certain qualified individuals

will consolidate an ever greater concentration of shares, and finally become true "capitalists" capable of managing their enterprise. However, in the early stages prior to

the "arrival " of these capitalists, an enterprise's efficiency will not necessarily improve, and may in fact decline.

China did not practice privatization among the masses. Without democratic participation and public supervision, the privatization in China became privatization among the powerful. CCP government officials of all ranks made public assets their own. Factory directors and party secretaries became rich capitalists in an instance. Today's CCP is the Board of China and the government officials its CEOs. In this way, China avoided the economic hardship of Russia and East Europe.

Thus, the essence of the "China's economic miracle" can be briefly summarized as follows: economic reform has been implemented under the iron fist of a one-party dictatorship, providing officials with an opportunity to get rich by plundering state assets, thus make every official an enthusiastic reformer; officials have reaped fortunes through deception and the use of force, and have implemented instant privatization by making public assets their own. They have been dedicated advocate of economic development and efficiency, deficiency-in-human-rights induced-efficiency, if you will. Due to the interweaving of power and money, those with most power are most likely to rapidly accumulate a massive abundance of capital. Such an arrangement provides a fertile environment for the privatization of former state-owned enterprises and the development of larger enterprises, and thus drives economic development in general.

Because China remains governed by a one-party dictatorship that nips any and all sources of instability in the bud (for example, by banning independent workers' or peasants' unions), Chinese society appears to have attained a state of extreme stability . Meanwhile, the government's control over the economy, its highly consistent and predictable economic behavior and the absence of any opposition or any prospect of a change in leadership all serve attract international businesses, while also providing the domestic economy with resilience against international economic shocks. Similarly, because China remains governed by a one-party dictatorship, many fields of activity----especially political activity----have been designated "off limits ", leaving the majority of people with no choice but to focus on economic activity. These restrictions, combined with the emergence of spiritual vacuum, individual greed and an unprecedented emancipation of material desires, have added fuel to the fire of economic development. Meanwhile those at bottom of social ladder who have suffered at the hands of bigwig officials and their manipulation of economic reform have no outlets to pursue justice with the present system. Chinese labor is already quite cheap, but the creation of slave labor through the CCP's policy has naturally made labor even cheaper, further boosting China's "great advantage" in global economic competition.

As we know, one of the most important strategies the Chinese government uses in economic development is export processing. It attracts huge amount of foreign capital into China, takes advantage of the deficiency in human rights in general, uses China's low cost labor in particular, and then exports the products. The Chinese government becomes very rich this way, but the purchasing power of the ordinary people do not increase accordingly. In countries that imported Chinese products, the capitalists make

a fortune and ordinary people get cheap merchandise, but capital flows out, and industries shrinks rapidly. Workers lose jobs, welfare tends to decline, and public finances run into trouble. In other words, by exploiting the low levels of human rights of Chinese workers, China is able to maintain a competitive edge. Even free market economies such as the U. S. find it hard to compete with China, to say nothing of the welfare states.

But China's model has a fatal flaw: it lacks any legitimacy whatsoever. This fact is without precedent in China or abroad, and is therefore little understood by most people.

When we speak of the widening gap between the rich and the poor in China today, what I want to strongly emphasize is that not only is the gap very large, but the character of the problem is particularly malevolent. China's economic disparity problem is a unique one; it was not created by history or by the market forces, but by autocratic rule. In China, the reason why the poor live in poverty is because their possessions have been seized by those in power; the rich live in wealth because they are able to use their influence to snatch away the things that others have produced. Most people look at the Chinese economy and only see the breakneck speeds at which it has developed. Indeed, when compared to Russia and other former Communist countries in Eastern Europe, China's economic reform appears superior. But the problem is, no matter how many difficulties that Russia and the former Soviet countries have encountered in their economic reform and development, these difficulties occurred, at least, within systems of public supervision and democratic participation. In those countries, the citizens have the right to express themselves and the right to vote—which gives their reforms a certain kind of basic legitimacy.

China's situation is exactly the opposite. No matter how many dizzying accomplishments that China's reforms seem to achieve, because they take place in a system that lacks public supervision and democratic participation, it all inevitably leads to the plundering of the masses' property by the rich and powerful. First, the party used the name of revolution to transform the common people's private property into the public property of the "whole people." Then it used the name of reform to turn the whole people's public property into the private property of its own members. First it stole in the name of revolution, then it divided the spoils in the name of reform. Yet these two opposite crimes were both committed in the space of 50 years by the same Party. This kind of reform bears no legitimacy whatsoever. Therefore, the twisted pattern of wealth distribution that it has spawned cannot be recognized or accepted by the people.

Is the Chinese model sustainable? My answer is No. The first and foremost reason is that the "Chinese model" is built upon an unfair, illegitimate foundation that goes against humanity, against both human rights and democracy; people in China, as elsewhere in the world, demand for fairness, human rights and democracy. That is, they are demanding change.

My mind at this moment cannot help but going back to May 30, 1989. In the midst of a national movement of millions—millions—demanding democratic reforms in China, the statue of the Goddess of Democracy was unveiled in Tiananmen Square by students who declared:

"The statue of the Goddess of Democracy is made of plaster, and of course cannot stand here forever. But as the symbol of the people's hearts, she is divine and

inviolable. ... Chinese people, arise! Erect the statue of the Goddess of Democracy in your millions of hearts! Long live the people! Long live freedom! Long live democracy!"

The statue, together with thousands of young lives, was crashed four days later by government tanks. But the desire for democracy was not crushed by these tanks. Indeed, the desire for democracy cannot be crushed in the hearts of any people. On December 10, 2008, the 60th anniversary of the Universal Declaration of Human Rights, 303 Chinese intellectuals published Charter 08. Its opening statement asserts:

"A hundred years have passed since the writing of China's first constitution. 2008 also marks the sixtieth anniversary of the promulgation of the Universal Declaration of Human Rights, the thirtieth anniversary of the appearance of [the] Democracy Wall in Beijing, and the tenth of China's signing of the International Covenant on Civil and Political Rights. We are approaching the twentieth anniversary of the 1989 Tiananmen massacre of pro-democracy student protesters. The Chinese people, who have endured human rights disasters and uncountable struggles across these same years, now include many who see clearly that freedom, equality, and human rights are universal values of humankind and that democracy and constitutional government are the fundamental framework for protecting these values. By departing from these values, the Chinese government's approach to 'modernization' has proven disastrous. It has stripped people of their rights, destroyed their dignity, and corrupted normal human intercourse."

Despite the Chinese government's heavy-handed measures against the organizers of the Charter 08 petition, the number of signers continues to rise, and today it stands at nearly 10,000.

The meaning of numbers is important to understand. Some academics in China and in the United States cite the scales of popular participation in activities encouraged or even orchestrated by the authorities as evidence of the people's approval of the government. But statistics based on the coercion of the tyrant's baton obviously misrepresent the true state of the minds of people living under dictatorship. More telling indicators are the numbers of people who engage in activities the government aims to prevent—or actually cracks down upon once they have begun. "Mass incidents" is the term the Chinese government uses to describe protests in which 100 or more people participate. The number of these "incidents" has risen to 100,000 per year—which means that, on average, a new, large protest against the policies of the Chinese government takes place every five minutes.

I am often asked by American friends: "What you say is all well and good, and I am myself convinced about the universality of democracy and freedom, but other than that, why should we care about whether, and how fast, China becomes democratic?"

My answer is simple. If China continues its path of economic development under a one-party dictatorship, it will pose a serious threat to our democratic way of life in the United States. China will serve as a model for dictators and juntas. In fact, it is already a model and a leading supporter of these regimes. Pick a dictator anywhere on the globe—from North Korea to Sudan, from Burma to Zimbabwe, from Cuba to Iran—and you'll almost certainly find that the Chinese regime is supporting it today.

In the United States today, the Chinese government takes advantage of our freedom and democracy to solidify its position at home. It, or its surrogates, have wide access to our universities, think tanks, and media through which they can advance their opinions and rationalize their actions.

The Chinese government has co-opted numerous American businessmen and academics by providing them with favorable business opportunities and all manner of privileges; in turn, they serve the purposes and interests of the Chinese government back in America as lobbyists for favorable policies towards China. Indeed, are not many of our opinions on China clouded by what has been the “business-first” priorities of our China policy which has benefited neither working-class Americans nor ordinary Chinese?

Make no mistake, the expansion of China's military power is also a significant and alarming development. Throughout the past decade, China's defense budget has increased at an annual rate double that of its GDP growth. The Chinese People's Liberation Army is acquiring more than enough power to intimidate surrounding East Asian countries, some of them America's allies. It seems clear that at present, China wants to minimize military confrontation with the United States and seeks instead to concentrate on developing its economy. Yet this could well be a temporary strategy, aimed at delaying conflict with the United States while giving China the time it needs to develop a more powerful military. Who can say what grandiose dreams and ambitions Chinese leaders may harbor 20 or 30 years hence if their regime is richer and stronger?

History and a well-developed body of political theory show that established democracies rarely go to war with one another. If this is true, then the United States has a clear national security stake in whether China becomes an established democracy.

But what leverage do we have with the Chinese government to push for positive change in China in the field of political rights? Some—even those who want to restore human rights as a centerpiece of foreign policy—will say that we have little leverage to effect meaningful change.

Exactly the opposite is true. But a detailed list of effective policies can emerge only after we rid ourselves of the delusions and false assumptions upon which our China policy has long been based. Above all, we must understand democracy in China is homegrown and not imposed by outside world as many have suggested and many others would worry it would be. But this does not mean that we must sit back and wait for democracy to bloom. Instead, it means engaging with and nurturing democratic forces already at work in China. People often talk about prerequisites for democratization; for me, the most important of all is that there must be democratic forces in Chinese society and I believe today more than ever that a visionary part of the U.S. engagement policy with China is to openly and systematically engage with the Chinese democratic forces and to nurture their growth.

More than this, we need political leaders who will call attention to the fact that trade has not yet brought, and will never alone bring, an end to political repression or the Chinese Communist Party's monopoly on power. America has been carrying out a policy that benefits business interests in both the United States and China far more than it helps ordinary people in either country. It is time for change.

To that end, I want to offer the idea of Reciprocity as a foreign policy platform.

In 1997, Harvard University invited Jiang Zeming, then President of China, to speak at the campus. In response to this invitation, I organized a student demonstration which became the largest campus protest at Harvard since the Vietnam War. Those in favor of Jiang's visit argued for it on the basis of freedom of speech. Our protest argued against it on the grounds of Reciprocity.

The lack of reciprocity gives the Chinese government a huge advantage in the field of world opinion, and in tamping down internal dissent. By insisting on reciprocity, the United States and the rest of the world's democracies can showcase their own freedoms while forcing the Chinese government into an untenable position with respect to its denial of basic rights to its own citizenry.

As I said earlier tonight, in the United States today, the Chinese government and its surrogates have wide access to our universities, think tanks, and media outlets through which they can advance their opinions and rationalize their actions.

When U.S. government officials travel to China, their movements, their contacts, and their communications are tightly controlled. If officials give a speech it is not typically broadcast to the Chinese people. Congressman Chris Smith of New Jersey reported that on his last trip to China, his meetings with reform-minded Chinese citizens were suddenly cancelled and that he could not access his own website on the Internet. Even Presidents Bush and Clinton had their speeches to Chinese citizens blocked when they visited China. Virtually all American media are blocked or jammed in China. Here in the United States, China can freely broadcast. In fact it is estimated that over 90% of the Chinese-language media in the U.S. are Chinese-government controlled. The Chinese government exploits our freedoms to extend its influence with Chinese communities in the United States.

In short, there exists no reciprocity between China and the democratic world.

It is fair and appropriate to ask the Chinese government for the same freedoms for its people that we ourselves enjoy; the same access to the Chinese people for our officials and delegations; the same open discussion and exchange of ideas that we extend to the Chinese government here in the United States. This idea of Reciprocity will allow us to directly and indirectly infuse the issue of human rights into all sectors of our dialogue with China in a way that would make it very difficult for the Chinese government to refuse. It would give the United States, and the other democracies of the world, further leverage in their discussions with China and help to restore the moral compass of the United States as it navigates the choppy seas of world diplomacy.

The United States was founded on the principles of freedom, democracy, and certain inalienable rights. But the desire to meet short-term interests tends to compromise faithfulness to these principles. That inconsistency weakens American credibility. But the United States remains a great country, and its people a great people. I have an incurable confidence in American democracy, know as I do that its structure always makes it possible for its citizens to correct past mistakes. At present, isolationism is not the solution to the problem of a tarnished international image. Promoting democracy and freedom around the world will panic dictators and gain the interest of even those who have been hoodwinked by their rulers. We should always remember Reverend Martin Luther King's admonition that "injustice anywhere is a threat to justice everywhere".

## Addendum to Statement

Regarding the question of reassessment/reconciliation, the basis of any relationship, whether between people or nations is truth. Without truth there can be no trust. Without trust there can be no security. The failure of the Chinese government to fully acknowledge the events of June 4, 1989, is a failure of truth and a black cloud over this regime to this day.

It is in the interests of both the Chinese government and the U.S. government to work aggressively toward the following actions in order to build the foundation for a lasting bilateral relationship.

1. A full accounting of the events of Tiananmen Square 1989. This can be in the form of a truth commission or a dialogue with the Mothers of Tiananmen or some combination thereof.
2. A release of all citizens imprisoned for their activities related to the Pro Democracy Movement of 1989.
3. The removal of the firewalls imposed by the Chinese government to censor information over the Internet that prevents the free exchange of ideas and information.
4. The support of the U.S. government for the scaling up of firewall busting technology that will make a free and secure access to the Internet available to a minimum of 50-100 million people in China and related totalitarian regimes such as Vietnam and Iran. This action more than any other will bring truth and freedom to the people struggling under these regimes.
5. The immediate release of Liu Xiaobo and Wang Bingzhang, whose only crime was to speak their consciences.