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RADIO 4

CURRENT AFFAIRS

**ANALYSIS
CHINA'S BATTLE OF IDEAS**

TRANSCRIPT OF A RECORDED DOCUMENTARY

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DEVICHAND: (Music) Welcome to China - officially Communist, yet seemingly driven by highly capitalist values. Officially a one party state where public argument is often crushed, and yet there's said to be a policy debate playing out inside China right now between two opposing schools of thought.

LEONARD: There is a massive battle of ideas about what kind of economic model China should have, what sort of political system it needs. And that's fought out not between political parties but between intellectuals in these different places - in think tanks and in universities - who sometimes act as proxies for different camps and factions within the Chinese system.

DEVICHAND: Mark Leonard of the European Council on Foreign Relations has repeatedly made the same journey east that I'm now making. I'm Mukul Devichand, and in this week's Analysis, I'm on the road in China meeting intellectuals from the labyrinthine world of Chinese think tanks.

LEONARD: Literally thousands of academics and think tankers will be involved in working on different bits of the country's five year plan. There are real ideological disputes. You know if you look at the battles last year between the Chongqing and the Guangdong models, they did stand for two completely different world views.

DEVICHAND: Guangdong is the wealthy industrialised province next to Hong Kong, and for many it symbolises China's New Right driven by faith in free markets. And deep inland is Chongqing city, a power base for what's been called the New Left - those who want to return to a stronger Communist state. Over the last year, the notion that two world views are locked in a hidden battle, each with an intellectual stronghold in a different part of the country, has gained traction. I'm here to find and flesh out these schools of thought and work out how they are changing China.

DEVICHAND: So, John, in front of us is a really long wall facing Tiananmen Square. What is this?

GARNAUT: This is Zhongnanhai. So this is the old imperial centre where the eunuchs and some of the princes used to live and now it's home to China's top leaders.

DEVICHAND: I'm being shown around China's capital by John Garnaut, a veteran Beijing correspondent from Australia who's now writing a book about the Communist Party elite. And their ideas and personalities are under intense scrutiny this year. The Communist Party is about to choose a fifth generation of top leaders - easily as significant an event globally as the United States presidential elections. The names of the new Prime Minister and President are already known, but there's much jockeying for seats on the powerful politburo.

GARNAUT: They're trying to decide on who are the next twenty-five, twenty-four leaders who are going to form the elite leadership body of China. In October most of them are scheduled to change, and those changes will cascade all the way through the system. In the military, through every tier of government they'll be changing leaders, and that's all being decided now behind these walls.

DEVICHAND: Is it about personalities or is it about ideas?

GARNAUT: At the most fundamental level, it's a battle of ideas. It's a battle about what direction should China be going. Should it be heading in a more stultified socialist direction, or should it be headed in a more liberal democratic direction.

DEVICHAND: Socialist statist versus market liberals. Or, as some label it, Left versus Right. Of course in strict one party China these camps of ideas are not distinct like, say, Labour and the Tories. You won't even hear them mentioned in state newspapers. In person, thinkers and officials alike emphasise consensus. But these two broad intellectual currents are not only now associated with different regions of the country. Analysts say that there are two charismatic senior Communist figures who stand out from the mass of grey officialdom as standard bearers for the Left and Right camps. And both are men you might have heard of recently.

GARNAUT: On the Left is Bo Xilai. This is the guy that's under huge pressure, who's just been sacked from all his official positions. Sounds like you know there's a chance he's going to go to jail. So he's been purged, but he really was the symbol, the leader of this revival of socialist values, Leftist values. And on the Right his ideological adversary is a guy called Wen Jiabao, the Premier. And all along he's been a sole voice - especially in the last few years - for democracy, for justice, for dignity. He speaks a kind of language that none of his colleagues do. All of this sort of exploded to the surface really just recently.

DEVICHAND: Bo Xilai, from a famous party family, was rumoured to be angling for a national level position. But when British businessman Neil Haywood was found dead in his hotel room and Mr Bo's wife was accused of the murder, he was suspended and it became a major global story. I was sent to cover it, but it was obvious to me that Mr Bo's downfall was more than just a scandal. He'd been in charge of the inland city of Chongqing, which has seen a very open revival of Leftist political rhetoric, and that kind of thing doesn't happen much in China. Mr Bo openly styled himself as a champion of the poor, addressing their grievances with China's development.

(Video Music)

Growing social frustration is visible in hit online videos like this: "Oh China, slow down", it says. "Hold your people's hands." The song lambasts corruption, farmers' land being seized for new shopping malls, poverty at home while China's leaders spend the nation's money in Africa. A far cry from the version of China as a society growing rich that we've been hearing about since the Beijing Olympics in 2008. It's time to meet the first of our Chinese thinkers. He's a liberal in the classical or free market mould who teaches political science at Peking University.

ZHANG JIAN: I am Zhang Jian. I am more liberal than the national average in the sense that I would love to see the country to become more similar in its general political system - more similar to that of, say, UK or United States.

ARCHIVE: OLYMPICS: All eyes on the Bird's Nest stadium live from Beijing. (*Music*)

ZHANG JIAN: Olympic 2008 is a celebration of the enormous achievement of China in the past thirty years, and that's partly true.

ARCHIVE: OLYMPICS: The National Stadium is affectionately known as the Bird's Nest and we're preparing for what promises to be a truly spectacular opening ceremony.

ZHANG JIAN: But immediately after the end of the Beijing Olympics came the Lehman Brother you know bankruptcy.

DEVICHAND: The financial crash.

ZHANG JIAN: The most severe you know economic crisis since the Great Depression in 1920s and 30s, right? And I think the continued economic growth and the social stability of China began to disappear at that time. You know you see a very much reduced foreign appetite for the cheap goods that produced our labour, and you see more and more problems. You know I think in the last four years, we've seen more large-scale riots in this country than the past thirty years. (*Riot Fx*)

DEVICHAND: I've seen this wave of riots up close. Last year I made a Radio Four documentary in a southern Chinese factory city where migrant workers trashed homes and burnt cars in three days of rioting over pay and discrimination. Last week migrants there rioted again, adding to the 30,000 mass incidents of discontent each year. Zhang Jian points out that even some of the wealthy are getting nervous with evidence millionaires are migrating abroad.

ZHANG JIAN: If you know both the, if you will, downtrodden people and those who most benefited from the past thirty years are having enormous problems with the status quo, then there must be something very, very bad - very, very wrong, I would say. And I think with all those things turned sour for continued growth, continued social stability, then we see a re-emergence of public debate.

DEVICHAND: So a debate about ideas?

ZHANG JIAN: About ideas, about public policy, where the country is and where the country should go.

DEVICHAND: In that debate, Professor Zhang Jian and thinkers like him style themselves as liberals. Others call them a New Chinese Right. New because they were the ones who first imagined capitalism within the Communist system in the early 1980s. Under the guidance of economists, China liberalised its system with a new mantra - to get rich is glorious. Many interpreted that similarly to Gordon Gekko saying “greed is good” in the movie Wall Street, or the pro-capitalist mood of Margaret Thatcher’s Britain. Mark Leonard of the European Council on Foreign Relations says it’s no surprise. The West is where they got it from.

LEONARD: Most influential intellectuals in China for the last twenty years were educated in the West, often studied economics in places like Chicago, Oxford University. They came of age in the 1980s, a time when Margaret Thatcher was Prime Minister in the UK, Ronald Reagan in the United States. And they became firm believers in the power of the market, the potential of competition, and they were suspicious of the role of the state, they were in favour of privatisation, and they thought that the way to help everyone in society was through trickledown economics, so they were very suspicious of the state playing any role in delivering social public services or redistributing wealth. As a group, they were enormously influential.

DEVICHAND: This group argue that the Communist state should shrink. They equate privatisation with freedom.

ZHANG JIAN: You can call it very much similar to Washington Consensus - you know give more freedom to the market. You know now the problem is that people are not getting their fair share that the market will give them because of our state.

DEVICHAND: Professor Zhang Jian is younger than most of China’s liberal Right - in his late 30s - but in other ways he’s typical: a lover of BBC podcasts in English who spent six years studying in New York City. Even as a teenager, he was collecting the books of the free market thinker Friedrich Hayek who railed against state planning and the economy.

ZHANG JIAN: The government produced the problem.

DEVICHAND: The state rather than being the solution is the problem?

ZHANG JIAN: Yuh, let’s you know paraphrase President Reagan.

DEVICHAND: The liberal solution, then as now, is to shrink the state. But of course that's a very big undertaking in Communist China where until recently every urban resident was registered with a working unit that provided housing, welfare and a job. This so-called "iron rice bowl" system provided cradle to grave socialism. But from the 1980s reforms began and state-owned enterprises were privatised at a rapid pace. Professor Jian would like reforms to now reach beyond economics into the political sphere too. He's also a fan of Karl Popper, the Professor of Philosophy at the London School of Economics who advocated an open society where ideas compete. In politics, like in economics, he thinks the overbearing state is China's problem.

ZHANG JIAN: You do not have any leverage of the civil society against the government. Do you have the votes? Can you kick somebody out of his office or her office because he's not doing the good job? You don't have it. How could we believe that the government are going to take care of the people?

DEVICHAND: So you think more power and tools to be given to the people?

ZHANG JIAN: To the people.

DEVICHAND: What do you mean by that?

ZHANG JIAN: Well, for example, they have more say in the public affairs.

DEVICHAND: More say in public?

ZHANG JIAN: Yes. They have more say power you know to fire their you know officials.

DEVICHAND: Calling for public participation is still sensitive talk in China. One party dominates. But back in the 80s things were different. Back then, both the West and Chinese reformists spoke about the notion of peaceful evolution. If China could open the economy first, allow trade to flourish Western style, then Western style democracy would follow. (Music) And on that reading, were it not for one momentous political event, the liberals or the New Right might by now have steered China into a very different future. Except everything changed on June 4th 1989 as the tanks rolled into Tiananmen Square. Students, demonstrating after a liberal reformist official died, did not expect the party's violent response to their mass protest. Hundreds died.

ZHANG JIAN: I was a junior at that time in the college, and there was a big debate within the Chinese intellectual community about whether we should pursue our academic research or we should engage more in public philosophy debate. And I would say the majority of the intellectuals say yes, we should keep a distance between us and the public affairs. At that time, I think many people believe that as long as the economic reforms are going to continue, then gradually you know this country will become more liberalised, if not democratised.

DEVICHAND: Professor Zhang Jian. After 1989 many intellectuals fled China. Those New Right thinkers left behind knew better than to push democracy. They concentrated instead on economic liberalisation and the party listened. In 1992 Deng Xiaoping famously designated Guangdong, the southern province next to Hong Kong, as a testing ground for massive free market reforms. China's economy started to boom, starting in Guangdong's special economic zones and then spreading around the country. But Mark Leonard of the European Council on Foreign Relations says, despite this, people eventually turned against the thinkers of the New Right.

LEONARD: The phrase which some of my friends in China use is the dictatorship of the economists. Those on the Right made this accommodation with the one party state and helped to accelerate the pace of economic reforms, but the politics became more and more repressive. They are now as a group rather unpopular and resented in society because the consequence of their policies, as well as unbelievable levels of growth for a whole generation, has been soaring inequality.

DEVICHAND: (Music) By the late 1990s economic expansion had brought its own new social problems. For all the fast food chains and malls in China's cities, privatisation of state industry saw 63 million people laid off without the old iron rice bowl welfare state to protect them. And something else was undermining China's love affair with the market. In the West, Chinese students witnessed the anti-globalisation movement begin to take off and realised that even in Britain or the US not everyone supported capitalism. China watcher Mark Leonard says a second camp of ideas was beginning to emerge: a New Chinese Left.

LEONARD: The New Left was called the New Left because, on the one hand, they were rejecting the unreconstructed Left but rejected market reforms; and, on the other hand, they were rejecting the New Right's concern with economic growth at the expense of inequality and of environmental sustainability.

DEVICHAND: China's New Left didn't want to end the money coming in from free markets or reinstate the old Communist system of work units. After all, they weren't Old Left. But unlike the Right, they wanted a stronger state providing welfare. I became aware of them as a BBC journalist based abroad because their writings online offered a rare window onto social issues which the business press overlooked. Rural poverty, for example. Professor Yang Fan is an economist often associated with the New Left and sums up their view of modern China.

YANG FAN: (*Chinese*)

TRANSLATOR: We have passed the best economic moment this country had. The gap between the rich and the poor is skyrocketing. Capitalism has helped us. It pushed us over a certain level of development. But the marketisation has created bubbles – like food prices which hurt people - and the markets in China have been corrupt because powerful interest groups have teamed up with the market to enrich themselves.

DEVICHAND: The New Left didn't all focus on economics. Many were fans of the Palestinian American historian Edward Said who railed against orientalism, Eastern history written in the image of Western colonisers. Canadian Professor Daniel Bell at Tsinghua University has lived in China for many years and is friendly with the New Left both intellectually and personally. He says that at their core, they reject the idea that modern China needs to imitate the West. And although many of the New Left were themselves at Tiananmen Square in 1989, they now argue it was wrong to want Western style democracy.

BELL: Many on the New Left think that the student protestors were not necessarily on the right side in terms of what they were advocating. Now that so many Chinese students go abroad, they have a better sense of the disadvantages of you know American style capitalism and democracy, and it's highly unlikely that you would have the sort of demonstrations now that you had then where it's kind of that the Statue of Liberty would be the symbol for what China should strive for.

DEVICHAND: For a new generation of Chinese intellectuals, Western market liberalism and democracy has been discredited. The notion of an enlightened Western foreign policy took a severe beating in Chinese eyes after the Iraq invasion, and our financial crunch and our need to borrow billions from China has undermined Anglo Saxon capitalism's appeal. So a new wave of superstar thinkers, like political scientist Professor Pan Wei of Peking University, are searching for a Chinese alternative.

PAN WEI: The idea that human history is moving towards one direction with a predetermined end, that's what I don't believe. I think each country has its own way of conducting politics.

DEVICHAND: Chinese politics, he argues, has to achieve something very different from what modern Western democracies do. With a vast area and continent sized population bringing the constant threat of chaos, the Communist system's brute strength may be what has kept the Chinese nation together and developed it enough to stage world expos and Olympics.

ARCHIVE: OLYMPICS: Ladies and gentlemen, please stand for the National Anthem of the People's Republic of China. (*Music*)

LEONARD: Intellectuals like Pan Wei, for example, are very, very sceptical about the usefulness of democracy and also the consequences which it would unleash, and they worry that China itself would collapse. They're haunted by what happened to the Soviet Union.

DEVICHAND: Professor Pan is not so much New Left as Neo Communist, or Neo Comm. He says the party state, just like the old imperial dynasties, rest on four very Chinese pillars of good government.

PAN WEI: Four pillars. One is the idea that the government should serve the people's welfare, all the people's welfare. The second pillar is a way to pick officials. And the third one is a politically unified governing body, a party. And last one in China, it's checks and balances

through division of labour. So those four pillars have existed in China for more than two thousand years. It's the Chinese system.

DEVICHAND: The party, the Communist Party is a continuation?

PAN WEI: Of the history.

DEVICHAND: (Music) In this vast country schools of policy are in effect allowed to experiment in specific cities. Just as the economists of the New Right were allowed to create their free trade areas in Guangdong near Hong Kong in the 1990s, the party seems to have let another major city become a testing ground for the policy ideas of the New Left. That city is Chongqing, a boomtown in Western China. It's been called the "Chongqing Experiment" under the leadership of Bo Xilai, the charismatic Chongqing Party boss who's just been sacked.

(Atmos.) These are the sounds of morning exercise drills outside Chongqing's Great Hall of the People. Amongst these crowds, I got a real insight into how this Left Wing experiment has gone. (Woman speaking in Chinese) An elderly lady tells me the ordinary people thrived during Bo Xilai's rule. Chongqing invited in private factories creating jobs. But it also created welfare schemes that help people like her, including social housing and pensions for workers. (Man speaking in Chinese) This man says Chairman Mao's revolutionary China was a more equal society and Bo Xilai was a modern day Chairman Mao. One enthusiastic lady sung me a Mao era Red Song, something Bo Xilai's government encouraged. (Woman sings Red Song)

The poor admired how Chongqing's government chased down corrupt, wealthy businessmen. But I met people who had been tortured during these campaigns, brutal even by repressive Chinese standards. Bo Xilai's reign here ended when his wife was accused of ordering the killing of British businessman Neil Haywood, highlighting a potentially dark side to the Chongqing Experiment. John Garnaut.

GARNAUT: I mean in fact he was completely brutal. There were murders, there were people being tortured all over the place in Chongqing. But yes, he stood for something, what looked like a plausible model for China's future. He started an extraordinary campaign against mafia activity in Chongqing and did two things. It showed that a) everything was not well in China, that there was real mafia on the streets of a major Chinese city; and, two, he was the one that was taking a stand against it - he had the guts to challenge these problems with the system. At the same time he started publicly hailing back to the times of Mao Zedong, sending text messages praising Mao Zedong, getting people to sing old revolutionary songs. In fact he was very complicated and contradictory inside, but he wrapped himself in this Maoist iconography really.

DEVICHAND: Chongqing's Maoist iconography is deeply shocking to China's elite because although Chairman Mao is still officially venerated, his rule is also remembered for its brutal and divisive social experiments: thousands banished to the countryside, the bourgeoisie violently suppressed. Now that the Chongqing Experiment is effectively over, all the mainstream New Left academics I spoke to for this programme disowned Bo Xilai's violence and his invocation of the Chairman Mao years. And it appears that as a result of all this, China's liberals are back. Journalist John Garnaut again.

GARNAUT: One of the things it did was it prompted or it provoked a very strong backlash. All the long suffering liberal intelligentsia - the lawyers, the journalists, who'd opted out in 1989 - they all came out of the woodwork to rebut, to argue against what Bo Xilai was doing in Chongqing. And just in the last year we've seen this great cleavage opening up between, in the most simple terms, Bo Xilai's socialist Neo Maoist Chongqing model and what they call the Guangdong model, which is like the southern part of China which has always been a bit more liberal than the rest. And those two camps have sort of begun to starkly stand up against each other, and those tensions exploded at the National People's Congress in March this year when Bo Xilai was sacked.

DEVICHAND: So although officially Bo Xilai was removed over the murder of a British man, it's now being interpreted as a strike back against the Leftists by a resurgent liberal wing or New Right in the Communist Party. This past year their free market heartland, Guangdong near Hong Kong, has added some political and social reforms to its longstanding economic ones - tolerating strikes, press freedom and village level elections, for example. So could this be good news for China's liberals? Is the party preparing for a flowering of political reform when it changes leadership? It's impossible to say because in Beijing the mood right now is far from liberal. Even for this programme, people were reluctant to talk. (segues)

Okay, so my local colleague here has just been in touch with a guy who I want to meet. He won't meet me. He's one of the many webmasters in China who represent the New Left. I was very much hoping to meet him. But because of recent political events, there's a kind of chill wind blowing around people like him.

ZHANG JIAN: I don't see any significant sign of doing political reform.

DEVICHAND: Professor Zhang Jian does not think the liberals have the upper hand and he's worth listening to because of course he himself is on the liberal New Right. The outgoing Premier, Wen Jiabao, is seen as a leading liberal reformer, but after the autumn he will have to step down as the fifth generation of leaders take over. And in fact the years of his rule have seen pro-market reform stall and pro-democracy activists and artists suppressed.

ZHANG JIAN: I mean Wen Jiabao has been saying that for three or four years and you don't see any tiny bit of real political reform.

DEVICHAND: But Wen Jiabao is perceived as the reformer.

ZHANG JIAN: By many, not all. (*laughing*) Well he didn't do any reform up to now, right, and next year he's going to be out of the political stage.

DEVICHAND: (Music) In the West we've often failed to grasp that modern day China does now have competition between ideas and social models. Both New Left and New Right offer home-grown solutions to the anxieties gripping this rising power. But in the wake of the Bo Xilai affair, the biggest question is not which of these camps or which mix of policies China's fifth generation of leaders will choose, but whether they'll allow this open battle of ideas to continue. (Music fades under)