Inside China

How a World Power Is Facing Up to Its Domestic Challenges
While all the world watches China assume a greater role on the world stage, the country’s leaders are focused far more on the many domestic issues China faces. The next stage of the country’s development will require creative solutions to the challenges that have emerged since economic reforms began three decades ago. We take an in-depth look at what needs to be done.
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A Note From Guest Editor
Wang Jisi

FOR OBVIOUS REASONS, most China-watchers outside the country are more concerned about China’s external relations and behavior than its domestic affairs. However, the key to understanding China’s international policies and practices, including economic ones, is to see where its domestic trends are heading. As Zhang Baijia, a leading historian of the Chinese Communist Party (CCP), once observed, “China has always influenced the world by changing itself.”

In retrospect, domestic politics have defined and confined foreign relations at every stage in the history of the People’s Republic of China (PRC). The numerous political campaigns under Mao Zedong’s leadership against “class enemies” were consistent with China’s direct participation in the Korean War and indirect participation in the Vietnam War against “US imperialism.” In the early 1960s and during the Cultural Revolution, the class struggles aimed at digging out “capitalist roaders” and “revisionists” within the CCP predetermined a radical foreign policy and impeded China’s foreign trade.

After 1978, Deng Xiaoping and the rehabilitated party leaders linked economic reforms at home with opening the country to the outside world. Beijing then normalized diplomatic relations with all the countries important to it. The decisions made by President Jiang Zemin and Premier Zhu Rongji in the 1990s to deepen the reforms ensured China’s accession to the World Trade Organization (WTO) and further moderated its foreign policy. Today, China’s national security strategy, trade policy, international monetary policy and reactions to climate change, as well as other non-traditional security issues, are all conditioned on its main domestic considerations and how they are prioritized.

There seems to be a consensus among Chinese social elites that domestic problems, rather than challenges from abroad, are posing greater threats to China’s political order, social cohesion, national unity, sustainable economic growth, financial stability, individual livelihood, morality and the natural environment. However, it is hard to find a consensus on what constitutes the root causes of these domestic problems, not to mention solutions to them. In observing present-day China, it is most important to bear in mind the plurality of views and expectations among Chinese themselves. For one thing, under an extraordinarily powerful Party leadership and with omnipresent government intervention in social life, few people can confidently define what the Chinese value system is, or whether a coherent value system exists besides “getting rich,” “enjoying life” and “patriotism.”

It is also essential to recognize the diversity of interests in China among regions, localities, industrial sectors, government agencies and social spectra. It is the competing interests that are generating different views and underlying policy de-
bates everyday in the Chinese media and on the Internet. No close watcher of China would fail to notice the pace of change in people’s thinking and behavior, which is occurring as fast as new construction projects around the country. No wonder each time I have chatted with Thomas Friedman, a distinguished columnist for the New York Times, he would reiterate the warning that when in China, “fasten your seatbelt!”

Few Chinese would understand such a warning, and fewer would heed it. However, the top leadership — headed by President Hu Jintao and Premier Wen Jiabao — has recognized, in their own way, the need to rein in the horse after three decades of galloping economic growth. In recent years, two political slogans in China are especially worth noting. The first is to build up a “harmonious society,” which should be based on fairer redistribution of wealth, improved social welfare, better education and enhanced social justice. Many policy adjustments have been made to reduce social tensions, though with varying degrees of success.

The second slogan is to “apply the scientific outlook on development,” which means “putting people first and aiming at comprehensive, coordinated and sustainable development.” To translate it in plainer language, the central leadership is calling for more attention to the needs and anxieties of the population rather than the simple indexes of economic growth. The government should also make greater efforts to narrow the gaps between urban and rural areas, different regions, and social spectra, and to protect the environment.

Furthermore, in the framework of “scientific outlook on development,” the Chinese government has recently stressed the urgent task of “speeding up the transformation of the economic development mode.” Essentially, this means to turn China’s economic expansion from quantity-based to quality-oriented development by facilitating indigenous innovation. This also means to make energy savings and emission reductions a top priority. A salient feature of the continued development mode is the dependence on foreign investment and trade, and the required transformation emphasizes domestic consumption and social welfare of both the urban and rural populations.

As is shown in the collection of essays in the following cover package, “Inside China,” it is a daunting intellectual challenge to generalize and explain contemporary China, given its complexities, rapid transformations, and still opaque decision-making processes. To outsiders, the most puzzling phenomenon remains the adaptability of the Communist Party, with its structure, functions, internal operations, doctrines and interactions with society.

This issue of Global Asia, therefore, analyses China’s internal challenges and how they might be addressed. We have invited six scholars from the Chinese Mainland and four from outside to discuss issues that are at the top of the country’s domestic agenda. The results make for colorful and informative reading. To be sure, it is by no means easy to present their respective cases to an international readership with absolute clarity, because clarity is often lacking in the realities of China. In any case, the articles that follow will enrich our knowledge about the undercurrents, contradictions, hopes and sentiments of the rising power of China.

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