



Have China Scholars All Been Bought?

by Carsten A. Holz

ACADEMICS WHO STUDY China, which includes the author, habitually please the Chinese Communist Party, sometimes consciously, and often unconsciously. Our incentives are to conform, and we do so in numerous ways: through the research questions we ask or don't ask, through the facts we report or ignore, through our use of language, and through what and how we teach.

Foreign academics must cooperate with academics in China to collect data and co-author research. Surveys are conducted in a manner that is acceptable to the Party, and their content is limited to politically acceptable questions. For academics in China, such choices come naturally. The Western side plays along.

China researchers are equally constrained in their solo research. Some Western China scholars have relatives in China. Others own apartments there. Those China scholars whose mother tongue is not Chinese have studied the language for years and have built their careers on this large and nontransferable investment. We ben-

efit from our connections in China to obtain information and insights, and we protect these connections. Everybody is happy, Western readers for the up-to-date view from academia, we ourselves for prospering in our jobs, and the Party for getting us to do its advertising. China is fairly unique in that the incentives for academics all go one way: One does not upset the Party.

What happens when we don't play along is all too obvious. We can't attract Chinese collaborators. When we poke around in China to do research we run into trouble. Li Shaomin, associate professor in the marketing department of City University in Hong Kong and a U.S. citizen, spent five months in a Chinese jail on charges of "endangering state security." In his own words, his crimes were his critical views of China's political system, his visits to Taiwan, his use of Taiwanese funds to conduct research on politically sensitive issues, and his collecting research data in China. City University offered no support, and once he

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was released he went to teach at Old Dominion University in Virginia. One may wonder what five months in the hands of Chinese secret police does to one's psyche, and what means the Party used to silence Mr. Li. To academics in Hong Kong, the signal was not lost.

China researchers across different disciplines may not all be equally affected. Economists and political scientists are likely to come up against the Party constraint frequently, and perhaps severely. But even sociologists or ethnographers can reach the forbidden zone when doing network studies or examining ethnic minority cultures.

Our self-censorship takes many forms. We ask Western instead of China-relevant questions. We try to explain the profitability of state-owned enterprises (SOEs) by basic economic factors, when it may make more sense to explain it by the quality of enterprise management (hand-picked by the Party's "Organization Department"), or by the political constraints an enterprise faces, or by the political and bureaucratic channels through which an enterprise interacts with its owners, employees, suppliers and buyers. But how to collect systematic information about the influence of the Party on the operation of a state-owned or state-controlled enterprise, when these are typically matters that nobody in the enterprise will speak about?

We talk about economic institutions and their development over time as if they were institutions in the West. "Price administration" regulations, central and local, abound, giving officials far-reaching powers to interfere in the price-setting process. Yet we accept official statistics that show 90% of all prices, by trading value, to be market-determined. We do not question the meaning of the Chinese word *shichang*, translated as "market," but presume it to be the same as in the West.

Similarly, we take at face value China's

Company Law, which makes no mention of the Party, even though the Party is likely to still call the shots in the companies organized under the Company Law. Only if one digs deeper will one find unambiguous evidence: The Shaanxi Provincial Party Committee and the Shaanxi government in a joint circular of 2006 explicitly require the Party cell in state-owned enterprises (including "companies") to participate in all major enterprise decisions; the circular also requests that in all provincial state-owned enterprises the chairman of the board of directors and the Party secretary, in principle, are one and the same person. At the national level, the leadership of the 50 largest central state-owned enterprises—enterprises that invest around the world—is directly appointed by the Politburo. Economists do not ask what it means if the Party center increasingly runs enterprises in the U.S. and Europe.

The governor and Party secretary of China's central bank, Zhou Xiaochuan, writes extensively in Chinese about "comprehensively accelerating central bank work" based on the "three represents" (the Party represents the "advanced productive forces, the advanced Chinese culture and the basic interests of the Chinese people"). He describes the three represents as "guiding macroeconomic policy" in ways that defy any Western concept of logic. And yet we take this person as seriously as if we were dealing with the governor of a Western central bank, as if China's central bank were truly setting monetary policy, and as if the channels through which monetary policy operates in China and the impact monetary policy has on the economy are the same as in the West.

Are we naïve? Or are we justified in ignoring the central bank governor's second—or rather, first—life as Party secretary? Are we subconsciously shutting out something that we do not comprehend, or something we do not want to see be-

cause it doesn't fit into our neat, Western economic concepts?

Article after article pores over the potential economic reasons for the increase in income inequality in China. We ignore the fact that of the 3,220 Chinese citizens with a personal wealth of 100 million yuan (\$13 million) or more, 2,932 are children of high-level cadres. Of the key positions in the five industrial sectors—finance, foreign trade, land development, large-scale engineering and securities—85% to 90% are held by children of high-level cadres.

With the introduction of each new element of reform and transition, cadres enrich themselves: the dual track price system, the nonperforming loans, the asset-stripping of SOEs, the misuse of funds in investment companies and in private pension accounts. The overwhelmingly irregular transformation of rural into urban land may well qualify as “systematic looting” by local “leaders.” Local cadres are heavily invested in the small, unsafe coal mines they are supposed to close, and nobody knows how they obtained their stakes in these operations.

A general dearth of economic information shapes our research. Statistics on specific current issues are collected by the National Bureau of Statistics on special request of the Party Central Committee and the State Council. None of this information is likely to be available to the public. The quality of the statistics that are published comes with a large question mark. Outside the realm of official statistics, government departments at all levels collect and control internal information. What is published tends to be propaganda—pieces of information released with an ulterior objective in mind. One solution for China economists then is to resign themselves to conducting sterilized surveys and to building abstract models on the basis of convenient assumptions—of perfect competition, profit maximization given a production

technology, household utility maximization with respect to consumption and subject to financial constraints, etc. How much this can tell us about China is unclear.

Other China economists openly accept favors from the Party. We can use our connections to link up with government cadres. We may be hosted in field research by local governments and local Party committees. A local Party committee, at one point, helped me out by providing a car, a Party cadre and a local government official. They directed me to enterprise managers who, presumably, gave all the right answers. The hosts were invariably highly supportive, but I ended up working in exactly the box in which they were thinking and operating. (This seems to be the only research project that I never completed.) Furthermore, those who go to the field and interview cadres may not only unwillingly become a tool of the Party, but also a tool in departmental infighting.

Our use of language to conform to the image the Party wishes to project is pervasive. Would the description “a secret society characterized by an attitude of popular hostility to law and government” not properly describe the secrecy of the Party's operations, its supremacy above the law and its total control of government? In Webster's New World College Dictionary, this is the definition of “mafia.”

We speak of the Chinese “government” without further qualification when more than 95% of the “leadership cadres” are Party members, key decisions are reached by leadership cadres in their function as members of Party work committees, the staff of the government Personnel Ministry is virtually identical to the staff of the Party Organization Department, the staff of the Supervision Ministry is virtually identical to the staff of the Party Disciplinary Commission, and the staff of the PRC Central Military Commission is usually 100% identical to the staff of the Chinese Com-

munist Party's Central Military Commission. Does China's government actually govern China, or is it merely an organ that implements Party decisions? By using the word "government," is it correct to grant the Chinese "government" this association with other, in particular Western, governments, or would it not be more accurate to call it the "government with Chinese characteristics" or the "mafia's front man"? Who questions the legitimacy of the Party leadership to rule China, and to rule it the way it does?

The Party's—or, the mafia's—terminology pervades our writing and teaching. We do not ask if the Chinese Communist Party is communist, the People's Congresses are congresses of the people, the People's Liberation Army is liberating or suppressing the people, or if the judges are not all

appointed by the Party and answer to the Party. We say "Tiananmen incident," in conformance with Party terminology, but called it "Tiananmen massacre" right after the 1989 Tiananmen massacre, when "incident" would have made us look too submissive to the Party.

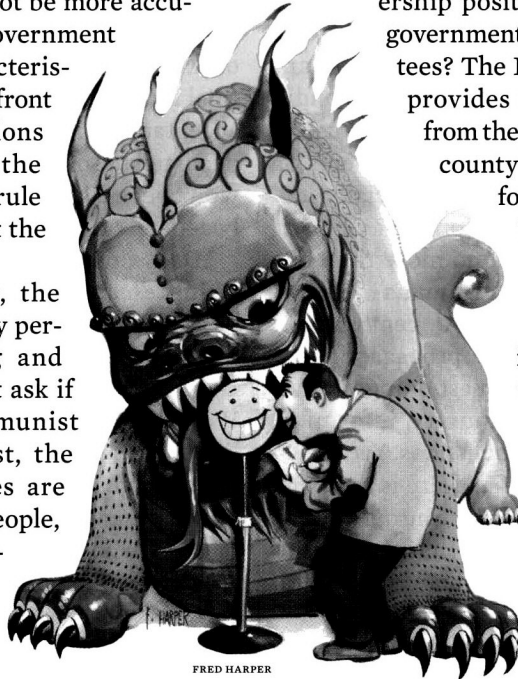
Which Western textbook on China's political system elaborates on the Party's selection and de facto appointment of government officials and parliamentary delegates, and, furthermore, points out these procedures as different from how we view political parties, government and parliament in the West? By following the Party's lead in giving the names of Western institutions to fake Chinese imitations, we sanctify the Party's pretenses. We are not

even willing to call China what its own constitution calls it: a dictatorship (a "people's democratic dictatorship led by the working class and based on the alliance of workers and peasants, which is in essence the dictatorship of the proletariat").

Who lays out the systematic sale of leadership positions across Chinese governments and Party committees? The Heilongjiang scandal provides the going price list from the province down to the county level, a list not to be found in any textbook.

The publicly known scope of the sale of positions does not leave much room for interpretation. For these salesmen and saleswomen of government positions to have nothing to fear, the rule of the mafia and its code of silence must be powerful beyond imagination.

What is not normal is accepted as normal for China. Hackers were collecting the incoming emails of a faculty member of the University of Hong Kong from the university's server until they were found out in June 2005, when they accidentally deleted emails. The hackers came from three mainland Internet provider addresses, and all three IP addresses are state telecommunications firms. Within China, the staff of the foreign students' dormitories includes public security officials who keep tabs on foreign students and compile each student's file. In a Shanghai institution of tertiary education, typing "Jiang Zemin" into a search engine from a computer located on campus, three times in a row, leads to the automatic shutdown of access to that search engine



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for the whole campus. The Party is rumored to employ tens of thousands of Internet “police.” Phone calls are listened to, if not systematically recorded. Emails are filtered and sometimes not delivered. Who will not learn to instinctively avoid what the Party does not want them to think or do?

Party propaganda has found its way deeply into our thinking. The importance of “social stability” and nowadays a “harmonious society” are accepted unconditionally as important for China. But is a country with more than 200 incidents of social unrest every day really socially stable, and its society harmonious? Or does “socially stable” mean no more than acceptance of the rule of the mafia?

“Local government bad, central government good” is another propaganda truism that is accepted unquestioningly in the foreign research community, informing and shaping research questions. Yet, viewing the Party as a mafia, there is no room for such niceties, and reporting outside academia indeed suggests that the center hides a rather hideous second face, and inevitably does so for a purpose.

We see the “ends”—successful reform—and don’t question the “means.” The Party’s growth mantra is faithfully accepted as the overarching objective for the country and the one measure of successful reform. Nobody lingers on the political mechanisms through which growth is achieved. The mafia runs China rather efficiently, so why worry about how it is done, and what the “side effects” are? We obviously know of the labor camps into which people disappear without judiciary review, of torture inflicted by the personnel of state “security” organs, and of the treatment of Falun Gong, but choose to move on with our sterilized research and teaching. We ignore that China’s political system is responsible for 30 million dead from starvation in the Great Leap Forward, and 750,000 to 1.5 million murders during the Cultural Revolu-

tion. What can make Western academics stop and think twice about who they have bedded down with?

If academics don’t, who will? The World Bank and other international organizations won’t because they profit from dealing with China. Their banking relationship depends on amicable cooperation with the Party, and a de facto requirement of their research collaboration is that the final report and the public statements are acceptable to Party censors. The research departments of Western investment banks won’t because the banks’ other arms likely depend on business with China.

Does this all matter? Does it matter if China researchers ignore the political context in which they operate and the political constraints that shape their work? Does it matter if we present China to the West the way the Party leadership must like us to present China, providing narrow answers to our self-censored research questions and offering a sanitized picture of China’s political system?

The size of China’s economy will exceed that of the U.S., in purchasing power terms, by 2008 or 2009. China is a country with which Western economies are increasingly intertwined: A quarter of Chinese industry is foreign-owned and we depend on Chinese industry for cheap consumer goods. Ultimately, our pensions, invested in multinationals that increasingly produce in China, depend on the continued economic rise of China. But does the West understand that country and its rulers? At what point, and through what channels, will the Party leadership with its different views of human rights and the citizens’ rights affect our choices of political organization and political freedoms in the West (as it has affected academic research and teaching)? And to what extent are China researchers guilty of putting their own rice bowl before honest thinking and teaching? ■