Contrary to hopes expressed by both Chinese intellectuals and foreign observers that the new Hu Jintao administration would be more open to political change and to freer expression of ideas, Hu’s government has backed away from some of the tolerance that existed (though insufficiently) under Jiang Zemin. While Jiang Zemin did not shy away from criticizing presumed Western efforts to “divide” and “Westernize” China, the Hu administration has actively backed a campaign to criticize “neoliberalism” and has cracked down on the expression of liberal opinion. For the moment at least, Hu seems determined to address the problems facing China by strengthening the Chinese Communist Party (CCP) rather than adjusting the relationship between the party and society through greater openness. Whether these trends tell us something about the future course of governance under Hu Jintao is, of course, uncertain; Chinese politics often takes rapid turns. Hu may find the greater expression of intellectual and societal opinion welcome either when his own power is better consolidated or if the current course causes problems with economic growth or social order.

Critiques of Neoliberalism

One of the ironies of contemporary China is that even as the economy continues to grow and as privatization—although not called that—continues to expand, lifting incomes and propelling China into greater status in the world, there has been a persistent critique of globalization and its effects on China. This critique started in the early 1990s and continued to develop through the decade, focusing sometimes on rising income inequality, sometimes on the selling off of state-owned assets, sometimes on the lack of state capacity. Although this was a diverse critique, its unifying warning to the Chinese people was not to accept or follow Western definitions of “modernity,” however expressed. Although this New Left critique (as it was generally called) found expression in popular journals, such as Tianya (Frontier) and Dushu (Reading), it made little, if any, dent in policymaking circles. The state moved to downsize large state-owned enterprises (SOEs), sell off small or unprofitable SOEs, accept foreign investment in ever greater quantities, and join the World Trade Organization (WTO), all over the objections of these critics.  

Despite this apparent policy irrelevance, the critique has never gone away. The problems it described—particularly inequality and corruption—appear to have worsened, and the passions the critique tapped into—Chinese identity and a sense of nationalism—have persisted and arguably grown. Indeed, there is some evidence, however uncertain, that this critique gained saliency and popularity through a series of brief but important
movements. A good example is the opposition to China’s bid to join the WTO, especially when that bid was followed almost immediately by the U.S. bombing of the Chinese embassy in Belgrade and then by the popular emotions aroused when a Chinese fighter collided with a U.S. EP-3 surveillance plane off Hainan Island in April 2001. This critique also had a foreign policy component, holding that the Jiang Zemin government did not stand up to the United States and that joining the WTO was tantamount to succumbing to a U.S.-dominated order. Neocolonialism, this critique held, was not dead, but was, on the contrary, gaining strength.2

Following Hu Jintao’s assumption of the position of general secretary of the CCP in fall 2002, some concerns of this New Left critique—if not its whole intellectual apparatus—began to be voiced by the government. “Social justice” issues began to receive greater attention from the new administration. This new focus included long-overdue efforts to raise rural incomes and to obtain back pay for migrants whose salaries were heavily in arrears. At the same time, Hu Jintao began to pay more-than-obligatory obeisance to the early leaders of the CCP, beginning with his December 2002 visit to the revolutionary capital of Xibaipo and his long speech on the 110th anniversary of Mao Zedong’s birth in 2003.

CASS Study Group on Neoliberalism

In summer 2003, the Chinese Academy of Social Sciences (CASS) established a Study Group on Neoliberalism. The group arose at a time when the severe acute respiratory syndrome (SARS) crisis had barely passed and official attention was nevertheless shifting to the study of the “three represents.”3 At almost the same time, CASS, Chinese People’s University, Qinghua University, and other groups convened a meeting on “Neoliberalism and China’s Technological and Economic Security.” One speaker, not named but clearly identifiable from textual evidence as Wu Yifeng, a well-known Marxist economist from Chinese People’s University, elaborated on neoliberalism as an instrument of U.S. foreign policy. The purpose of neoliberalism, in Wu’s view, was quite instrumental: the reason that the United States “wants others to implement neoliberalism is only one—everything for the benefit of the United States.” He goes on to say that the West, “especially the United States,” spares no efforts to use international economic organizations—the International Monetary Fund (IMF), the World Bank, and the WTO—to advance its agenda. The problem, according to Wu, was that there was no successful instance of neoliberalism helping a developing country: “No matter which country or region neoliberalism is promoted in, that country or region encounters enormous risk and disaster.”4

A year later, at a press conference held to celebrate the publication of the Study Group on Neoliberalism’s first work, a book called Neoliberalism: Commentaries and Analyses (Xinziyou zhuyi pingxi), it was made clear that the “party center is very concerned about research on neoliberalism”5 and that the CASS group had been established specifically at the behest of the “center.”6 The press conference was attended by Li Shenming, vice president of CASS; Li Qiqing, deputy director of the Central
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bureau of translation & compilation; wu shuqing, an economist and former president of beijing university; fang ning, deputy head of the institute of politics at cass; he bingmeng, deputy secretary of cass and the editor of the book; and “several tens” of others. according to the press release, scholars at the conference stated that the central viewpoints of neoliberalism are its “emphasis on the market mechanism, opposition to state interference, advocacy of the private ownership system, and opposition to the public ownership system.” the scholars maintained that the influence of neoliberalism had spread rapidly in china in the 1990s and that it was the “theoretical expression of the ideology of the international monopoly capitalist class with regard to globalization.”

the conference hoped that the book would “play the role it should play” and encouraged that it “be promoted especially among leading cadres.” wu shuqing, former president of beijing university, told the group that neoliberalism had influenced not only college students but also economists and leading cadres at various levels. according to wu, “the evil wave of privatizing soes was clear proof that they had been influenced by neoliberalism.” ding bing, an associate professor at the party school in jilin municipality, added that politically, neoliberalism was aimed at “westernization,” and that it was “an ideological tool used by the united states and other western countries to promote neocolonialism in the developing and socialist countries.” li shenming took the opportunity to criticize hong kong economist zhang wuchang (steven cheung) and people’s republic of china (prc) intellectual cao siyuan for “wantonly promoting privatization” and leading china’s reform in the wrong direction.

in a separate interview, he bingmeng pointed to the publication of many western classics in chinese translation that had spread the influence of neoliberalism. he cited milton friedman’s capitalism and freedom, frederick van hyek’s individualism and economic order and the road to serfdom, buchanan’s freedom, market, and state, and karl popper’s the open society and its enemies as representative works. although all these works are on the conservative side of western political-economic thought, their overlap with classic liberalism is extensive, making it unclear (one would guess deliberately unclear) whether what was being criticized was free-market economics in general or an identifiable interpretation of neoliberalism in particular. although he says that he does not want to stop the study of western economics, he does urge more attention to the “critical absorption” of these theories.

in an article carried in global view, wu yifeng, the marxist economist at chinese people’s university who was also involved in this book project, reflected on his trip 10 years ago to russia and on the “disaster” brought about there in the ensuing years by neoliberalism. reviving the rhetoric of the anti-“peaceful evolution” campaign of that period, wu said a russian economist had told him that what had led the russian reforms astray was western economic theory, particularly neoliberalism. in a separate interview, wu strongly criticized zhang wuchang, the hong kong economist who studied at the university of chicago with nobel laureate ronald coase, for his emphasis on institutional economics (which became very popular among chinese economists in the late 1980s and 1990s). because of his staunch belief in free-market economics and clear property rights, zhang wuchang has become the bête noire for china’s left.
There have been many reports of criticism of neoliberalism since June 2004. On
November 9, Guangming ribao published an article called “Beware of the Neoliberal
Thought Tide,” which gathered the usual suspects—He Bingmeng, Li Qiqing, and Wu
Yifeng—to reiterate the routine criticisms of neoliberalism. According to a later report,
that article, after being posted on the Xinhua web site, received 9,800 hits in three and a
half days.12 In addition, there were such articles as “Global Proliferation of
Neoliberalism and the Scientific Attitude We Should Take,” written by the CASS Study
Group on Neoliberalism; Fang Ning’s “Financial Meltdown, Government Collapse,
Social Unrest—Four Bitter Lessons of Argentina’s Four Policies for Comprehensively
Introducing Neoliberalism”; Dong Zhenghua’s (professor at Beijing University) article
“Castro’s Critique of Neoliberalism and Globalization”; and Wu Shuqing’s article “Two
Types of Reform, Two Types of Results” in the party’s theoretical journal Qiushi
(Seeking truth).13 These and other articles have linked neoliberalism with the theme of
“peaceful evolution.”

Larry Lang

It was in this ideologically charged atmosphere that Larry Lang (Lang Xianping),
professor in the business administration department of the Chinese University of Hong
Kong, gave a talk on August 9, 2004, at Fudan University in Shanghai. In that talk, Lang
charged that many SOEs—including such high-profile firms as Greencool, Kelon, and
Haier—engaged in management buyouts (MBOs) as a way to strip state assets, benefit
the new ownership, and cheat the public. In an oft-used metaphor, Professor Lang
questioned whether the “nanny” should take over as the “boss”—whether managers of
SOEs had the right to replace the state through MBOs and enrich themselves. Ice cream
was another popular metaphor, invoked on the other side of the argument: in the hands
of incompetent owners who didn’t know what to do with them, SOEs would waste away
like melting ice cream, but if they were sold to a competent “nanny,” they could be
turned into money-making ventures.14

The basic criticisms that Larry Lang made—that Chinese entrepreneurs were
using insider trading to enrich themselves at the expense of the public and to strip state-
owned assets—have been around for a long time. The critiques come from a liberal
perspective—such as is contained in He Qinglian’s famous 1998 book, The Pitfalls of
Modernization—and from a New Left perspective, including the various books and
articles of economist Yang Fan. Lang’s criticisms seem to have touched a raw nerve in
part because he is an outsider (and a Western-trained economist), in part because he used
hard data and named some of the star companies and entrepreneurs in China’s economic
reforms, in part because the criticisms could be spread quickly and debated intensively on
the Internet, and in part because Kelon’s head, Gu Chujun, sued Lang in a Hong Kong
court, drawing much more attention to Lang’s charges. In addition, one might speculate
that the greater leadership attention to social justice issues in recent months prepared the
ground for criticism of another arena of injustice.
In any event, Lang’s views were quickly echoed by a number on nonmainstream economists. On September 15, 10 academics signed a statement supporting Lang and criticizing the “neoliberal views” that lay behind China’s efforts to restructure SOEs. A few days later three economists—Zuo Dapei, Yang Fan, and Han Deqiang—wrote a letter to the Chinese leadership demanding that an investigation be conducted into the companies criticized by Lang, that hearings be held on the loss of state assets, and that China rethink the direction of state enterprise reform. An article in the English-language China Daily argued that protecting state-owned assets affected the interests of the “common people” and observed that laid-off and retired workers had a “particularly huge stake in how the current property rights reform is carried out.” A number of mainstream economists, including Wu Jinglian, Zhang Weiying, and Zhang Wenkui, weighed in to oppose Lang’s views, but as another article in China Daily noted, the “overwhelming majority of Internet opinions support the neoleftists headed by Lang.”

Larry Lang’s criticisms were not unrelated to the criticism of neoliberalism discussed above. Lang laid many of China’s economic ills at the feet of the neoliberal ideology, criticized the state withdrawal from the economy, and argued that SOEs were at least as efficient as privately owned enterprises. Thus, his criticisms echoed those that had been in the official press for at least a year.

Harsher Ideological Climate

The CCP convened the Fourth Plenary Session of the 16th Central Committee September 16–19, 2004, and adopted a decision on strengthening the “governing ability” of the party. Although this document called for the CCP to govern in a “scientific and democratic fashion and in accordance with the law,” its attention was directed at how party mechanisms—including cadre selection and decision making—could be improved, but not at how the development of extra-party social forces might be used to curtail the sort of abuses that are linked to one-party rule. Perhaps not surprisingly, it called for strengthening ideology. Even while calling for theoretical innovation, it made clear that this process of enhancing the party’s ideology and building “advanced socialist culture” was to be an internal party affair. Rather than drawing on the ideas and opinions of the populace, the decision called for the party to guide public opinion, in part through control of the media.

According to Hong Kong’s Kaifang magazine, Hu Jintao, addressing the plenary session on September 19, gave a speech, not yet publicly disseminated, in which he allegedly said, “For some time, enemy forces abroad have wantonly attacked our leadership and political system. And our domestic media has upheld the flag of political structural reform to propagate Western-style parliamentary democracy, human rights, [and] journalistic freedom…. Enemy forces inevitably take public opinion to be their point of attack…. The [former] Soviet Union disintegrated under the assault of their ‘Westernization’ and ‘bourgeois liberalization.’ This is the fundamental reason why problems appeared internally in the Soviet Union.” These remarks cannot be
independently verified, but they do seem consistent both with much internal rhetoric in China and with the crackdown on the media that followed shortly thereafter.

It was just before Hu Jintao allegedly made these remarks that a new crackdown on China’s press began. On September 2, 2004, Xiao Weibi, editor of the liberal, Guangdong-based Tongzhou gongjin (Moving forward on a single ship), was dismissed for publishing a no-holds-barred interview with Ren Zhongyi, a former Guangdong party secretary who has voiced strong criticisms in recent years. Shortly thereafter, Jiao Guobiao, a journalism professor at Beijing University who had created a sensation with his hard-hitting Internet piece harshly criticizing the Propaganda Department, was suspended from teaching. (More recently he was dismissed from Beijing University, allegedly for staying too long in the United States.) At roughly the same time, the popular bulletin board service (BBS) at Beijing University, Yitahutu, was closed down, as was the serious but occasionally controversial journal Strategy and Management (Zhanlue yu guanli), apparently because it published an article critical of North Korea. Wang Guangze, a journalist at the 21st-Century Economic Report, was dismissed after he gave a speech in the United States called “The Development and Possible Evolution of Political Ecology in China in the Age of the Internet.”

On September 8, Nanfang renwu zhoukan (Southern personalities weekly), inspired by a listing of the 100 most influential public intellectuals published over the summer by the British periodical Prospect, ran its own list of the 50 most influential Chinese public intellectuals. Those enumerated constituted a diverse list, from the liberal economists Mao Yushi and Wu Jinglian to liberal historians Zhu Xueqin and Qin Hui to environmentalist Liang Congjie and poet Bei Dao.

On September 30, the Propaganda Department reportedly submitted a report to the Central Committee and then, with the Central Committee’s approval, issued “Document No. 29” on November 11. This document reportedly criticized economist Mao Yushi, writer Yu Jie, deceased economist Yang Xiaokai and others, and it cited the journals Strategy and Management, Yanhuang chunqiu, Tongzhou gongjin, and Tushu zhoubao and the web site Yitahutu for going beyond official guidelines. According to the Hong Kong journal Yazhou zhoukan (Asia weekly), Liu Yunshan, head of the Propaganda Department, toured Henan province November 9–13 and said that ideology was “an area of strategic importance, contended for by rival forces.” But in an earlier speech on September 22 Liu had said, “If [the ideological and cultural fronts] are not taken over by Marxist ideas, then all kinds of non-Marxist and even anti-Marxist ideas will take over.” In response, Shanghai’s Jiefang luntan (Jiefang forum) published on November 12 an article by the pseudonymously named Ji Fangping (homophone for “Jiefang ribao commentary”) titled, “A Delusive Slogan—Response to the ‘Theory of Media as Public Institution.’” Three days later, Shanghai’s party paper, Jiefang ribao, ran an article under Ji Fangping’s byline titled, “See through the Appearance to Perceive the Essence—An Analysis of the Theory of ‘Public Intellectuals.’” Employing the harsh language of class struggle, the article declared that the concept of public intellectuals had been touted to “drive a wedge between the intellectuals and the party and between the intellectuals...
and the general public.” Far from being “independent” and above faction or class, as was often claimed, such public intellectuals, the article asserted, have “certain interest groups” supporting them. Far from being “independent” and above faction or class, as was often claimed, such public intellectuals, the article asserted, have “certain interest groups” supporting them. Ten days later, People’s Daily threw its weight behind the emerging campaign to criticize public intellectuals by reprinting the article.

On December 20, Guangming ribao published an article called “Beware of the Intellectual Tide of ‘Public Intellectuals’” that repeated the charge that public intellectuals seek to be “independent and critical,” but that in fact intellectuals, like everyone else, reflect their social background and interests.

The harsher ideological atmosphere established by these commentaries was reflected in continuing repression of intellectuals. In December, the well-known writers Yu Jie and Liu Xiaobo were taken into custody, interrogated, and released the next day, apparently because the Chinese chapter of PEN, headed by Liu, had given its award to Zhang Yihe for her memoir The Past Is Not Like (Dissipating) Smoke, which details the 1957 anti-rightist campaign. The political theorist Zhang Zuhua was also detained. Also in December, some 1,287 web sites were shut down, most for pornography and gambling but others for promoting “superstition” (religion). Finally, in May it was disclosed that Ching Cheong, the former Wen wei po journalist who had been working for Straits Times in recent years, and Lu Jianhua, a prominent sociologist working at CASS, had been detained by authorities on suspicion that Lu had leaked information from internal leadership talks to Ching Cheong.

Conclusion

The criticism of neoliberalism—followed by the firestorm set off by Larry Lang’s criticism of management buyouts and then by the criticism of public intellectuals, the crackdown on intellectual expression in fall 2004, and finally the launching of a rectification campaign in early 2005—all suggest an interesting and important turn in Chinese politics, one unanticipated by many looking for a more “liberal” Hu Jintao to emerge. In terms of political ideology, Hu has adopted some of the concerns and themes promoted by the New Left in recent years: trying to lift the income of the peasants and unemployed left behind in the growing wealth of the cities, addressing social justice issues, and promoting “privatization.” The New Left has long been critical of neoliberalism in various guises, whether as a rubric for free-market economics or as a broader metaphor for Western understandings of modernity, and it was very critical of Jiang Zemin’s government for its efforts to clarify property rights and sell off many inefficient state-owned enterprises—policies that benefited a small group of wealthy people. It appears—though it is too early to say with certainty—that aspects of this New Left critique are being adopted by Hu Jintao and his government. However, the New Left also sought greater political participation, and that does not appear to be happening. On the contrary, as the Fourth Plenum decision and the crackdown on liberal expression suggest, the government seems to believe that it can fix the problems of the CCP through internal reform, without substantially altering the relationship between the party and society. In fact, the party itself is well aware that no matter how successful its ongoing
experiments with “inner-party democracy” are, the party as a whole will need to adjust to growing socioeconomic forces, including nongovernmental organizations. Indeed, one is tempted to conclude that the current ideological crackdown marks a leadership effort to increase control over the party and intellectuals before facing the more complex challenges of adjusting party-society relations.

Notes

1 The emergence of the New Left is discussed in Joseph Fewsmith, *China since Tiananmen* (Cambridge: Cambridge University Press, 2001).
2 Fang Ning, Wang Xiaodong, et al., *Zhongguo zai quanqiu huayin xia de daolu* (China’s path under the shadow of globalization).
4 “Weihu guojia keji anquan shi danqian he jinhou duo bixu gaodu zhongshi de dashi—Zuotanhui fayan zheyao” (Upholding the state’s scientific and technological security is a great matter that must be paid attention to now and in the future—Summary of remarks at the symposium), http://www.ihns.ac.cn/zhanlue/wencong/%BF%C6%BC%BC%BO%B2.
6 “Dang zhongyang mingque yao jinxing pipan he dizhi xin ziyu zhu yi” (The party center explicitly wants to criticize and restrict neoliberalism), http://www4.bbsland.com/forums/politics/messages/986677.html.
7 Li Ruiying, “Jingti xinziyou zhu yi.”
8 “Xinzuo xinqu pipan xinziyou zhu yi kuangchao—‘Xinziyou zhu yi pingxi’ chuban zuotanhui jianbao” (The New Left kicks up a storm criticizing neoliberalism—A brief account of the publication seminar for *Neoliberalism: Commentaries and Analyses*), http://article.comment-cn.net/show.php?type=guancha&id=1098256735, and He Bingmeng, ed., *Xinziyou zhuyi pingxi* (Neoliberalism: Commentaries and Analyses) (Beijing: Shehui kexue wenxian chubanshe, 2004).
24 Chiang Hsun, “China’s Intelligentsia.”
27 Chiang Hsun, “China’s Intelligentsia.”