

# CURRENT HISTORY

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*“The Chinese leadership is caught between the demands of populism and internationalism. Again and again, in order to win international approval, the government has had to buck public sentiments that the party propaganda machine itself has helped to foster.”*

## Forced Harmony: China’s Olympic Rollercoaster

DALI L. YANG

Seven years ago, when the International Olympic Committee chose Beijing as the host city for the 2008 Summer Olympics, Xinhua, the official Chinese news agency, declared that “Beijing can give the world the best Olympic Games in history.” What better event than the Olympics to showcase China’s growing prosperity and rising international status, which have resulted from 30 years of reform and opening up?

The Chinese leadership pulled out all the stops to ensure the success of the games. For all their avowed lack of interest in superstition, organizers scheduled the opening ceremony to begin at 8 minutes past 8 p.m. on 8/8/08. In the Cantonese dialect, the pronunciation of the number 8 sounds like “prosperity.” One could hardly have found a more numerologically auspicious moment than this.

By all conventional accounts, China’s leaders have every reason to be pleased with the success of their nation, which the games were meant to showcase. Between 2001 and 2008, the size of the Chinese economy has more than doubled yet again. Whereas in 2001 China was still in the throes of painful economic restructuring and its banking system was in tatters, today the country boasts the world’s largest foreign exchange reserves (more than \$1.8 trillion) and is a force to be reckoned with in global affairs.

By lavishing the nation’s resources on Beijing, China’s leaders made sure that the capital would

be among the best prepared Olympic host cities ever and probably the most transformed in terms of landscape. Since winning its bid for the Olympics, Beijing has enjoyed a massive banquet of development, including the construction of world-class sports venues and huge investments in subway and airport expansion. The completion of these and other iconic projects, mostly designed by the world’s leading architectural firms, suggests an intense drive for excellence. The smooth launch of Terminal 3 at the Beijing Capital Airport, for example, contrasts sharply with the mess at Heathrow’s Terminal 5 and opens a window onto China’s growing capacity to get things done and manage them well.

### GROWING PAINS

Yet the Olympics were but one item on a long list of challenges that China’s leaders have had to tackle. While the Chinese economy has continued to enjoy double-digit growth, consumer price inflation—at 7.9 percent in the first half of 2008—has risen to the highest levels in more than a decade in spite of administrative controls on energy and other prices. Once renowned for its egalitarianism, China today has one of the most unequal economies in Asia, with sharp divides persisting between rich and poor, urban and rural residents, and the coast and the interior. At the same time, official corruption, especially at the local level, remains rampant despite increased scrutiny.

This combination of rising inflation, income inequality, and perceptions of serious corruption makes a fertile ground for social discontent. In several Chinese cities, isolated incidents have touched off mass protests against local govern-

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ments. Meanwhile, as the struggle to clean up the air for the Beijing Olympics showed, the country has finally had to reckon with the escalating costs of environmental degradation.

Even China's formidable export juggernaut has begun to show signs of vulnerability in the face of severe headwinds, including a slowing global economy, rising labor and land costs, stricter regulatory demands on quality, and soaring energy and raw materials prices. These factors have begun to shrink China's sizable trade surplus and put increasing pressure on labor-intensive sectors such as textiles.

One could go on. Suffice it to say that growth pains and development imbalances are taxing the ability of the party-state, riven by divergent interests, to deliver badly needed public goods, to redress injustices, to regulate growth, and to protect the interests of the Chinese public.

### CHINA INC.'S TRANSITION

Confronted with these challenges, the leadership in Beijing has placed great emphasis on protecting the corporate interests and enhancing the organizational integrity of the Chinese Communist Party (CCP). For any major organization, good leadership succession is essential to the institution's integrity and vitality. In the 1980s, during the era of Deng Xiaoping, all three men who served as chief of the Communist Party—Hua Guofeng, Hu Yaobang, and Zhao Ziyang—ended up demoted or sacked. Despite reports of differences among the current leaders (and elders) of the party, they appear determined to avoid a return to the succession uncertainties of the past.

In 2002, China witnessed the CCP's first orderly succession—from Jiang Zemin to Hu Jintao. In October 2007, the CCP's 17<sup>th</sup> Party Congress—whose 2,200 delegates represented about 73 million rank and file party members—reaffirmed, as expected, Hu's position as the top party leader for another five-year term. In the spring 2008 session of the National People's Congress, Hu was also chosen for a second term as China's president, while Wen Jiabao was reappointed prime minister.

In addition, the Party Congress selected a new contingent of the power elite, including a 204-member Party Central Committee headed by a 25-member Political Bureau. Nearly half of the 204 members of the Central Committee are new

faces. Just under half come from the party's central administrative apparatus and the central government, along with roughly one-fifth from the armed forces and about one-third from the provinces.

Of special importance was the induction into the Political Bureau Standing Committee of Xi Jinping and Li Keqiang, both in their 50s and with doctorates earned while on the job. Xi and Li are now successors-in-waiting to Hu and Wen respectively. Xi's elevation occurred only a few months after he had been parachuted into the post of Shanghai Party Secretary and came as a surprise to most China watchers. Li on the other hand has long been seen as a loyal Hu follower and someone destined for high places. The dual succession scheme points to a drive to arrange the kind of smooth leadership transition that top corporations seek (though often do not achieve), and thus to have a seasoned team to lead the Communist Party and the country years down the road through new or existing storms. Given the challenges facing the party, there is no guarantee that the best-laid plans for succession will be successfully implemented, but one cannot fault the leadership for lack of trying.

China's leadership in the post-Deng years evolved into a collective mode, with the general secretary leading as *primus inter pares*. Nonetheless, the 17<sup>th</sup> Party Congress marked a milestone in the consolidation of General Secretary Hu's power and influence. The composition of the newly elected Party Central Committee reflects the increasing clout of Hu's supporters with a Youth League background. Hu also managed to enshrine into the party constitution his "scientific outlook on development"—a theory of Chinese socialism that incorporates sustainable development, social welfare, and ultimately the creation of a "harmonious society." While Hu's political report to the Congress left room for promoting modest political reforms at best and showed a continuing preoccupation with growth, it nonetheless offered greater attention to balance, efficiency, and equity.

Against a background of hyper-growth that depends in part on sweatshops and severe environmental degradation, Hu's call for human-centered development and ecological civilization is especially refreshing in the Chinese context. Equally significantly, in a move that harkens to the promotion of the Great Society by US President Lyn-

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don Johnson in the 1960s, Hu has injected a much more expansive and ambitious policy agenda into the idea of a “well-off society” by enumerating a list of populist welfare goals with which the party hopes to continue harnessing public support and promoting a harmonious society.

## THE POLITICS OF PROTEST

But challenges to harmony of course remain. Before the National People's Congress had voted this spring on second terms for Hu and Wen as president and prime minister, demonstrations erupted in Tibet. On the anniversary of the Dalai Lama's flight into exile (March 10), Tibetan monks in Lhasa, the capital of Tibet, protested peacefully against tight government controls on religious matters, especially forced denunciations of the Dalai Lama, the spiritual leader of the Tibetan people. Organizers of the protests apparently sought to bring pressure on the Chinese government, knowing that the world's attention was focused on China ahead of the Olympics. By March 14, however, the protests, into which ordinary Tibetans had joined, had turned into massive attacks on non-Tibetans, as well as on local governments in Lhasa and beyond.

What followed was no surprise. The Chinese government used the riots to justify a harsh crackdown and thus to impose law and order. As an element of emergency rule, the government largely ended foreign media access to Tibet and has since only permitted guided media tours.

Many questions may be asked about the turn to violence by Tibetans and the Chinese government in March 2008. The Chinese government quickly blamed the “Dalai clique” for orchestrating the protests and the violent attacks that, according to government spokesmen, were designed to split the motherland. Zhang Qingli, the party secretary of Tibet, denounced the Dalai Lama as “a wolf in monk's robes” and spoke of a “life-and-death struggle” with the “Dalai clique.” The government filled the airwaves with footage of Tibetan violence.

But the eruption of protests against Chinese rule in Tibet highlights some of the deep fissures in that region. The protests point to the desire among many Tibetans for greater dignity, especially religious freedom, and reflect the discontent that many Tibetans feel about their marginalization in their own land. The protests also suggest that massive infusions of central government aid, designed to modernize Tibet and the Tibetans, have not been enough to win the hearts and minds of many Tibetans.

To be sure, Chinese policies have helped raise education standards and improve access to health care, but most Tibetans have suffered from relative deprivation and they resent the presence of many Han Chinese in critical positions in Tibet. In the eyes of many Tibetans, it is the outsiders,

notably Han Chinese and Muslim traders, who have benefited most from the government's investments in Tibet. Chinese criticism of the Dalai Lama, especially when forced on Tibetan monks, has been a major source of insult and resentment. Most Han Chinese, however, appear to have bought into the gov-



Great leap—soft landing?

ernment's view; they have rallied behind the regime and have tended to see the protesting Tibetans as ingrates.

While the government was able to quickly impose an austere calm in Tibetan areas, the forced harmony was soon strained by worldwide protests against the Olympic torch relay. These protests provoked sharply divergent perceptions in the West and in China. The Western media generally portrayed both the Tibetan and the Olympic torch relay protests with sympathy. China's leaders and the Chinese public, by contrast, mostly saw a diabolical anti-China alliance, which included the Dalai Lama and some Hollywood figures, intent on undermining the Olympics and hurting China. Many Chinese felt humiliated and were deeply angered by what they perceived as biased news coverage.

Such sentiments have fueled strong nationalist outbursts against nations, such as France, where

the Olympic torch was not well received, as well as against some Western media organizations, especially CNN. Carrefour, the giant French retailer that has a big presence in Chinese cities, became the leading target for protesters.

Rising national pride has lent strong support to the Chinese government. Yet the xenophobia exhibited by Chinese protesters, including in the Han Chinese nationalist response to the Tibetans, also served to undercut China's official drive to soften its international image and to provide a favorable environment for the Olympics. Indeed, the xenophobia and strident nationalism raise profound questions about the nature of China's rise and its potential impact on the international system. Will China continue to be peaceful as it becomes ever more powerful economically and militarily? To what extent will it seek to rewrite the rules for the global economy and society?

As tensions rose in March 2008, both the Chinese government and the Dalai Lama stood to lose from further escalation of the conflict. By April, cooler heads had begun to prevail and both sides sought to de-escalate the confrontation. The Dalai Lama has again and again stated publicly that he no longer seeks outright independence for Tibet. He also said he supports the Beijing Olympics. Meanwhile, the government has subtly adjusted its stance. In early May and early July, government representatives met with the Dalai Lama's special envoys. It remains to be seen whether these talks will lead to more constructive dialogue, but they have helped stabilize the Tibetan situation for now, and they allowed the government to shift its attention to the Olympics.

## THE EARTHQUAKE OF 2008

The Tibetan protests wrenched China's political machinery, but two major natural disasters have also served notice to the Chinese leaders that they must expect the unexpected. In early 2008, prolonged snowstorms in southern China wreaked havoc on the local economy and on the lives of millions. The mayhem underscored points of vulnerability in China's economy, in particular the national rail network and power grid. And on May 12, before the tensions in Tibet had eased, a massive earthquake struck, measuring 7.9 on the Richter scale. Centered on Wenchuan in Sichuan

province, the quake reverberated across China and caused great devastation and massive loss of life, with 87,000 dead or missing and millions left homeless.

The Chinese government had reacted slowly to the snowstorm in southern China earlier in the year. But in this case Wen—a populist by political instinct and a geologist by training—was en route to the quake zone within hours after the earthquake struck. Wen, Hu, and other leaders mobilized the entire country to respond to the disaster. More than 100,000 soldiers, paramilitary police, medical personnel, and others were deployed to rescue survivors, bury the dead, and assist in the recovery.

By all accounts the Chinese government, unlike cyclone-devastated neighbor Myanmar, has responded effectively to the disaster. While the rebuilding will take Herculean efforts and is fraught with complications, it appears that the Chinese leadership has kept its focus and leveraged the authoritarian system to good effect. The central government has channeled vast resources into the quake-hit regions from its own well-cushioned budget and, in an important move, has ordered major cities and provinces to pair up with the quake-ravaged counties in Sichuan and provide reconstruction aid.

The initial instinct of the Communist Party Propaganda Department was to impose restrictions on reporting and issue guidelines to the media to toe the lines of Xinhua and CCTV, the official outlets. But China has changed in this age of the internet and text messaging. The internet, teeming with more than 200 million Chinese users, immediately buzzed to life. Also, knowing that this was China's worst natural disaster in more than three decades and a lifetime opportunity for reporting, some Chinese news organizations simply ignored the Propaganda Department and dispatched large numbers of reporters to the quake zone to provide their own extensive coverage.

In times of national disaster, greater freedom of the press has generally worked in the government's favor and allowed the country's leaders to rally the nation. Both the Chinese and international press devoted considerable attention to the leadership's role in organizing relief efforts and comforting the victims. As this openness won the government massive support and sympathy, the censors

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stayed away. In fact, in the initial aftermath of the earthquake, the usually feisty internet dialogue in China focused on saving lives and showed little tolerance for hard-nosed questions.

But the earthquake was nonetheless a watershed moment for China's "netizens," who used the internet to share information as well as grief, to form communities of support, and to organize relief activities, as well as to demand transparency and accountability. When the Chinese Red Cross failed to provide details on donations, Netease, a major internet service provider, declined to link its well-trafficked portal to the Chinese Red Cross and turned to organizations that were more transparent and accountable. When the government sought to manipulate public opinion by highlighting a blog by a well-known writer, Yu Qiuyu—who urged grieving parents to desist from protests—the blogosphere went live with debate and criticism. Although the censors have now tightened their leash on the media, including online news, the Chinese blogosphere continues to shine with public-spirited debate, and netizens have devised various strategies to get around the filtering and censorship.

Not since the death of Mao in 1976 had China been plunged into such collective grief as during the Sichuan earthquake. The massive coverage of the devastation and rescue operations tapped into a deep well of compassion and national solidarity. Impressive official rescue efforts were coupled with an equally magnificent outpouring of civic spirit. Indeed, the earthquake allowed Chinese society to rise above the crass materialism that has pervaded the nation; rich and poor joined hands in making donations of money, blood, and supplies. More than 100 nongovernmental organizations formed a coordination office the day after the quake to cooperate in their relief activities. Thousands of civic organizations, singly or in association, served as critical links between donating communities and the disaster areas. As numerous volunteers rushed to the quake-stricken regions, donations too came pouring in from around the country and abroad. For several weeks in mid-2008, state and society worked in unison.

Under intense public scrutiny and in the context of the Chinese leadership's vow to promote "human-centered" development, the earthquake and its aftermath catalyzed a number of significant innovations. For instance, for the first time in China's history, authorities used helicopters to airlift ordinary civilians in large numbers to safety or

treatment. In another first, the Chinese flag flew at half-staff on Tiananmen Square for three days to commemorate the victims of a natural disaster—rather than to mark the death of a national leader.

With billions of dollars in donations pouring in, public pressure has been exerted to ensure proper use of the donated funds and goods and to mitigate corruption and embezzlement. The public has also demanded improved transparency. For the country's leadership, major misuses of funds could severely dent the party's legitimacy. In response to this pressure, the leadership promptly established a dedicated group to monitor and supervise the distribution and use of earthquake relief funds and materials. Within days of the quake, the National Audit Office began to dispatch auditors—who eventually numbered over 10,000 nationwide—to monitor the use of donated funds and goods in real time.

In a departure from the past, the audit office has invited the public to report on possible cases of malfeasance. Especially interesting is an initiative by the Sichuan Provincial Discipline Inspection Commission to recruit more than 300 individuals to join the monitoring effort. Such measures of accountability have been vital in maintaining public support. So far, officials have punished dozens of employees for misuse of funds but have largely succeeded in preventing major misuse and corruption.

## THE LIMITS OF OPENNESS

Yet, even amid the tremendous outpouring of grief associated with the earthquake, the Chinese state has shown it prefers to place major initiatives under its own umbrella rather than let independent organizations occupy much space. Although some NGOs continue to work alongside government-sponsored civic organizations such as the Chinese Red Cross, those NGOs that did not make special efforts to collaborate with the state have had to curtail their activities in the quake areas.

The burst of openness and transparency after the quake also eventually proved to be too much for the censors. The domestic media were quite free to report as long as they offered paeans to survival and heroism. They were put on a short leash once hard questions began to be raised—regarding, for example, what the government could and should have done to prepare better for the earthquake (especially in the enforcement of building codes and construction quality) and whether the

government's earthquake forecasting system, because of the leadership's preoccupation with stability ahead of the Olympics, failed in its mission of saving lives.

The uplifting story of Ye Zhiping, the principal of Sangzao Middle School, only served to underscore how much more could have been done in the years before the earthquake to save lives in an area well known as an earthquake zone. For more than a decade Ye had scraped together funds and materials to reinforce his once-rickety school building and had conducted emergency evacuation drills for his teachers and students. These measures produced a miracle: All the students at Sangzao survived the quake. Stories like this raise the painful question of why so many school buildings collapsed and more than 10,000 students died, while nearby government offices often remained standing.

So far, the regime has largely kept such questions away from public debate. For the many grieving and angry parents seeking justice, the local authorities have adopted a carrot-and-stick approach: They have offered condolences and some monetary compensation while pressuring parents to abandon demands for a full investigation and thus "not make trouble." Parents and volunteers who have questioned authorities have been threatened and even detained. Police invoked the charge of "inciting state subversion" against Zeng Hongling, a retired university lecturer, for writing three articles, posted on an overseas website, that criticized the construction of schools that collapsed in the quake.

## POPULISM VS. INTERNATIONALISM

The scope of the earthquake's devastation and China's heroic response have engendered much international sympathy and helped quiet many international critics. Meanwhile, the Chinese leadership has won praise for a variety of recent diplomatic initiatives. China has played an active role in multilateral efforts to end North Korea's nuclear activities—efforts that lately have produced some provisional successes. Beijing has modified its opposition to confronting the Sudanese government over its role in the violence in Darfur. China has also sought to improve relations with Japan, despite long-held grievances, and has reached out to archrival Taiwan. In this light, the talks with the Dalai Lama's envoys can be seen as

part of a programmatic approach meant to create a favorable international environment—not just for the Olympics this year but for China's continued peaceful development.

Yet this turn to internationalism has occurred alongside bouts of populist nationalism within China. For observers, shifting public sentiment in China deserves careful analysis for what it reveals about the country's potentially volatile state-society relations. In particular, the overwhelming majority of Chinese, encouraged by the official media as well as the internet, appear to live in a world of almost pure black and white when it comes to the treatment of Tibetans, the protests surrounding the Olympic torch relay, and the response to the Sichuan earthquake.

In this moralistic universe, affronts to Chinese pride are not well received, and tolerance and forgiveness are not virtues. All too often, a take-no-prisoners approach has dominated the chatter in China's web-sphere. In the aftermath of the Sichuan earthquake, companies were graded on their generosity and miserliness, and huge pressure was

exerted on individuals and businesses—whether it be basketball star Yao Ming, property mogul Wang Shi, or a multinational firm such as Intel—to increase their donations to relief efforts. Those who dare dis-

sent from the prevailing view—regarding Tibet, for instance—must be prepared for a fusillade of verbal attacks.

National leaders such as Wen have tapped into this vein of populist sentiment and passion to win the party new legitimacy—and also used it as a tool in the earthquake relief effort. But at other times, such as during the anti-Japanese rallies in 2005 or the recent response to Tibetan protests, populist sentiment can be a severe constraint on the leadership's desire to take an internationalist approach abroad. It also can undercut China's efforts to increase its soft power in the world.

The Chinese leadership is caught between the demands of populism and internationalism. Again and again, in order to win international approval, the government has had to buck public sentiments that the party propaganda machine itself has helped to foster. The latest example is the leadership's agreeing to talk with the Dalai Lama's envoys even as the propaganda machine continues to lash out at the "Dalai clique." China's lead-

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*The xenophobia exhibited by Chinese protesters undercut China's drive to soften its international image.*

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ers, by adjusting their confrontational attitude toward the international community (especially Western countries) on the Tibet issue, were able to persuade leaders such as US President George W. Bush and French President Nicolas Sarkozy to attend the opening ceremony of the Olympics.

As the games drew near, it appeared the Chinese leadership had once again navigated the competing demands of populism and internationalism and thereby prepared the ground for a successful Olympics. However, following the rollercoaster events of the first half of the year, little remained of the jubilation that had seized China when the country originally won the right to host the games. Also gone was talk about staging the best Olympics in history. Instead, safety and technical execution became the foremost

preoccupations. The Beijing Olympics have indeed defined 2008, but not in ways anticipated by the Chinese leadership.

As the Olympic rollercoaster comes to a stop, attention will again return to China's rapid growth and the pains associated with it. The leaders in Beijing will need all the public support and solidarity they can garner in order to cope with inflation, sagging stock prices, and increasing pressures on exporters who have been hurt by rising costs—as well as with the massive task of rebuilding earthquake-devastated areas where millions still live in temporary shelters. In the face of such challenges and rising public expectations, the Chinese leadership's quest for harmonious development will prove, like the pursuit of happiness, a never-ending task. ■