

**Julian Gewirtz.** *Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China.* Cambridge: Harvard University Press, 2017. 416 pp. \$39.95, cloth, ISBN 978-0-674-97113-4.

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In *Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China*, Julian Gewirtz argues that a coalition of Chinese reformers and Western economists made it possible for the post-Mao economic reform to emerge in the 1980s. Although “Foreign Minister Wang Yi recently claimed that ‘socialism with Chinese characteristics’ was ‘grown out of the soil of China,’ and former vice premier Zeng Peiyan ... fully credits [the development of the socialist market economy] to ‘Chinese Communists’” (pp. 10–11), according to Gewirtz, the Chinese socialist market economy was rooted in Zhao Ziyang’s effort to import ideas from Western economists. Moreover, at each crucial point of the power struggle between the reformers and the conservatives (i.e., anti-reformers), the reformers were enabled by their coalition with internationalists. This book provides important insights that explore the implications of China’s rise in the twenty-first century as it reminds us that the origin of China’s current prosperity is not nationalism but internationalism.

When Chairman Mao Zedong died on September 9, 1976, his successors were easily able to blame the Marxist doctrine-obsessed economic policies for the ongoing economic stagnation. As Andrew Walder writes in *China under Mao: A Revolution Derailed*, “the most famous instances

of the devastation that defined Mao’s legacy were the Great Leap Forward of 1958–1960 and the Great Proletarian Cultural Revolution, now the official name for the entire decade from 1966 to 1976,” and “Mao’s destructive impulses left a China in disarray, essentially forcing his successors to start over again.”[1] The consensus on the need for reforms led to the resolution publicized in 1981 that brought “decisive ideological closure to the Maoist period” (p. 96). Although Mao’s successors easily reached a consensus on the need to reform, they found it difficult to agree on *what* reform policies to implement and *how* to implement them.

Once Deng Xiaoping came back to office and Hua Guofeng gradually lost his authority, the division over post-Mao economic policies took center stage within the power struggle in domestic politics.[2] On the one hand, reformers like Zhao, brought into the premier position by Deng in September 1980, tried to push forward drastic market-oriented reforms by loosening state control over society and opening the national economy to the outside world. On the other hand, conservatives led by Chen Yun, as well as Hu Qiaomu and Deng Liqun, tried to maintain a command economy, pay greater attention to political ideology, and limit interactions with the outside world. As shown in Chen’s famous “bird cage” theory, the

conservatives argued for maintaining a command economy by reforming it, insisting that the market economy should be constrained in the command economy like a bird kept in a cage. By contrast, the reformers insisted that the market economy should be the primary system of the national economy. Although Deng Xiaoping supported the reformers, he had to walk a tightrope to maintain a balance of power between the conservatives and the reformers.

Gewirtz argues that interactions with Western economists empowered the reformers when they had to confront the backlash from the conservatives, writing that “foreign economists were the active partners of CCP [Chinese Communist Party] reformers during the ‘golden age’ of reform” (p. 13). This book has at least two important implications. First, it “returns Zhao Ziyang to the center of the action” in the Chinese political economy of the 1980s. Without casting doubts on Deng Xiaoping’s role as the architect of the post-Mao reform, it highlights Zhao as a driver of the reform. Second, it shows that Zhao advanced the reform by bringing ideas from foreign scholars, which would “undermine the CCP’s portrayal of the reforms as a largely internal process, proof of the CCP’s ingenuity and wisdom” (p. 10). The second implication is important considering the current debates over Chinese politics now that “a pervasive theme of top Chinese leaders has been to decry with newfound intensity ‘hostile foreign influences’ that are ‘exporting ideology’ to the professions and even the bureaucracy in China ... [and] Xi [Jinping] himself used the phrase ‘hostile foreign forces’ repeatedly in internal speeches since he came to power” (p. 13).

Although this book focuses on the coalition of reformism and internationalism, it also reveals the coalition of conservatism and nationalism as an opposing force in Chinese politics. When opposing reformist policies, the conservatives often use nationalist rhetoric. Miyamoto Yūji—former Japanese ambassador to China—suggests that the

Chinese leadership is divided into reformist internationalists (*kokusai kyōchō kaikaku-ha*) and conservative hardliners (*taigai kyōkō hoshu-ha*) over how to respond to internal issues, such as maintaining social stability, as well as external issues, such as responding to globalized world politics.[3] Although both groups agree that maintaining social stability is most important to achieve the utmost goal of regime resilience, they have exactly opposite views on how to achieve this goal. Reformist internationalists argue that to maintain one-party rule, China should implement economic reform to achieve sustainable economic growth, which would then bring social stability. Conservative hardliners argue that China should keep the rent-seeking mechanism, which supports corrupt vested interests under state capitalism, to maintain one-party rule. Reformist internationalists also insist that China should be committed to cooperative foreign policy in order to appreciate a peaceful international environment and benefit from the interdependent relationship of the global economy. By contrast, conservative hardliners insist that China should adopt an abrasive and nationalist foreign policy and project its power even if it causes friction in international relations.

In the 1980s Deng Xiaoping proclaimed that China should adopt a cooperative foreign policy and implement domestic economic reforms. He even introduced the concept of “keeping a low profile” (*taoguang yanghui*) as a pillar of Chinese foreign policy and argued that China should not project its power, but should focus on economic development. Although Deng’s absolute principle was maintaining one-party rule, he supported reformist ideas and policies even though he purged those who were sympathetic to the demand for democratization. For example, Deng expressed his frustration with conservatives when he ousted Hu Yaobang in 1987, as Gewirtz says: “Although he had agreed that Hu had to go, Deng wanted to stress that his overall goals remained intact. He went even further, announcing a break with Chen Yun’s economic ideology” (p. 184). Interestingly,

Deng used Hu's purge as an opportunity to undermine Chen's conservatism, empowering Zhao to implement the reform.

Zhao indeed faced backlash. Conservatives revealed their nationalist and xenophobic position, as Gewirtz describes: "In pushing for reversals of Zhao's policies, senior conservative leaders specifically targeted Zhao's engagement with *foreign ideas*" (p. 214, emphasis added). Moreover, the confrontation between reformist internationalists and conservative nationalists suggests that the reformers sought ideas while the conservatives relied on ideology. Of course, "Deng Xiaoping was absolutely unwilling to let this ferment of new ideas and policies undercut the authority of the CCP" (p. 48). At the same time, Deng and the reformers desperately needed "to adopt a remarkable new policy: to travel far and wide, across national borders and ideological boundaries, to seek new ideas" (p. 28).

The Tiananmen Incident in 1989 reminded Deng of what many leaders had learned before him—that the market economy would lead to increasing popular demands to the government, wherein people's dissatisfaction with corruption, inequality, and inflation results in demands for democratization. However, even though "in the early 1990s, after the disaster at Tiananmen, the CCP would shift its line and ensure that economic reform and political reform were conceptually separated," Deng "attempted to signal internally that his commitment to economic reform remained paramount" (pp. 219, 227). In the meantime, conservative nationalists were then empowered: "because Hu Yaobang was now dead and Zhao was under house arrest, conservatives dominated the remaining senior Party leadership after Tiananmen" (p. 227).

Interestingly, although Zhao was purged in 1989, "reformers [brought] back many of the substantive policies he had advocated for the Chinese economy in the 1980s and for which he and his Western-influenced 'brain trust' had been at-

tacked—albeit without full acknowledgment of their supposedly treacherous origins" (p. 230). For example, when "the conservatives criticized the pre-1989 reforms as dangerously decentralizing and stressed the importance of the continued centralization of economic policy,... Zhu Rongji seized this moment to assert his role as an economic czar with the skills to replace Chen Yun and the reformist credentials to please Deng" (p. 242). Zhu's economic policy advisors Wu Jinglian and Zhou Xiaochuan "acknowledged clear 'influences' from other market economies" in Zhu's reformist economic policies (p. 255).

Jiang Zemin was different from Zhao or Zhu. His commitment to reformism and internationalism was much weaker. For example, when Milton Friedman visited China in October 1993, "unlike Zhao, Jiang did not engage with Friedman; instead he delivered what Friedman perceived as a pro forma speech about the successes and challenges of CCP management of the Chinese economy," and Gewirtz quotes Friedman writing "I conjecture that Jiang did not really want to hear what we had to say" (p. 257). As a result, "the dominant narratives of the reform era in today's China sideline the international intellectual exchange" since Jiang came into office (p. 261).

Jiang had good reason not to be committed to reformist internationalism. He came into office just after the Tiananmen Incident and his primary goal was to prevent the market economy from leading to increasing popular demands for democratization. Thus, he used the cooptation strategy, which encouraged former officials and former state-owned enterprise managers to become nominally private entrepreneurs.[4] At the same time, it formed the state capitalist system where the CCP champions the collusive rent-seeking mechanism by distributing the rent to various societal groups, which has since overshadowed the Chinese economy.[5]

In short, since the 1990s the CCP has used the collusive rent-seeking mechanism under the state

capitalist system as a tool to maintain popular support for one-party rule, and hence has to keep creating the economic rents to be distributed. However, the CCP now faces a new dilemma: real economic reform, which would undermine the rent-seeking mechanism, will be necessary to sustain economic growth. It will be necessary to adopt cooperative foreign policy, so that China can maintain good relationships with its trading partners like the United States and Japan. Reformist internationalists as well as conservative nationalists have understood this logic. However, they have completely opposite stakes in the real economic reform, and therefore internationalism became a source of contention within the CCP.

This book successfully reveals the inconvenient truth for conservative nationalists: the reformist ideas brought by Western economists empowered the Chinese reformers in the 1980s and provided the foundation for today's economic prosperity. In other words, internationalism worked as a *gaiatsu* (literally "foreign pressure") to implement reformist policies.[6] In the meantime, after the 1989 student movement "conservative leaders in China launched a new Patriotic Education Campaign" (p. 234), which launched another nationalist movement and strengthened the conservative-hardliner coalition. Desired economic policy will not be made unless it is politically feasible. Thus, to make China committed to domestic economic reforms and behave as a responsible stakeholder in international relations, reformist internationalists must be supported. When Chinese reformers were able to interact with Western economists, they were able to implement reformist policies and make China's foreign policy more cooperative.

Today, President Xi Jinping's nationalist slogans, such as the "China dream" (*Zhongguo meng*) and the "great restoration of the Chinese nation" (*Zhonghua minzu weida fuxing*), make other nations doubt China's intention to use its power as a responsible stakeholder. Although China is eager

to expand its influence in the world, it does not seem to feel any responsibility for whether its behavior will be influential on stability and security in the Asia-Pacific region. Now, as the US influence in Asia retreats under the Donald Trump administration, I am afraid that the region will become destabilized unless reformist internationalists overcome the power struggle of the Xi administration.

#### Notes

[1]. Andrew Walder, *China under Mao: A Revolution Derailed* (Cambridge, MA: Harvard University Press, 2015), 4, 5.

[2]. On the transition to Deng, see Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping* (Princeton, NJ: Princeton University Press, 1994).

[3]. Miyamoto Yūji, "Chūgoku 'shin no kaikaku-ha' to renkei o" [Japan should cooperate with "real reformists"], *Nihon Keizai Shimbun*, December 26, 2013.

[4]. On nominally private entrepreneurs, see Jie Chen and Bruce J. Dickson, *Allies of the State: China's Private Entrepreneurs and Democratic Change* (Cambridge, MA: Harvard University Press, 2010).

[5]. On the implications of Chinese state capitalism, see Yasheng Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State* (New York: Cambridge University Press, 2008).

[6]. The term *gaiatsu* was frequently used during US-Japan trade negotiations in the 1980s and 1990s. See Leonard J. Schoppa, *Bargaining with Japan: What American Pressure Can and Cannot Do* (New York: Columbia University Press, 1997).

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