


THE LEGACY OF DENG XIAOPING AND HIS REFORM

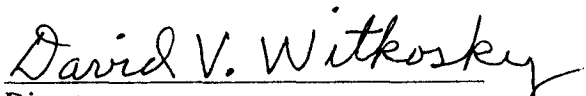
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## **THE LEGACY OF DENG XIAOPING AND HIS REFORM**

### **Introduction**

Twice named by *Time* magazine as the Man of the Year, Deng Xiaoping has been credited with the remarkable economic growth of China over the last two decades. He was generally recognized as the architect of economic reform in China during the post-Mao era and will go down in its history as the man who provided the impetus for its transformation to a modern society through the turn of the twenty-first century. With a massive population of 1.3 billion and a trend of spectacular economic growth, many scholars predict that China could soon surpass the economies of the West, including the United States, to become the largest economy in the world by 2010 (Chan 100).

Yet China today is plagued with socioeconomic problems and political unrest that could disrupt its plan of achieving the status of a moderately developed nation by the middle of the next century. While opening up its door to foreign commerce and adopting capitalist principles, the Chinese government still clings to the ideology of socialism with unquestioning authority of the central government. However, the combination of the two spells a certain incompatibility, and it is almost unavoidable that some form of representative government should evolve in order for China to realize its modernization goals.

In addition, China's nationhood building requires the development of a credible defense force to guard its national interests. But the impact of decades of self-sufficiency

policy has left the nation lagging far behind the Western world in defense technology. To leapfrog this gap, China needs to experience a paradigm shift and move from a limited defense capability to a more credible military fighting force. But for now, it will have to contend with developing the People's Liberation Army (PLA) from a local and coastal capability to a noteworthy regional power. Without a doubt, this development will depend, in part, on the parallel development of its science and technology sector. China will not only need to develop its defense industry into a credible institution to support the increasing demands of a modernizing army, navy, and air force, but also to focus on absorbing foreign technology in general to help sustain its impressive economic growth.

But China could not even have been able to discuss such endeavors today, if not for the conviction of one man. Deng Xiaoping's pragmatic approach to the reconstruction of China has achieved significant results, and it promises optimism for the future, although nagging socioeconomic and political problems still exist, posing a threat to its goals of becoming a world player in the twenty-first century.

This paper examines the status of China left behind by the revolutionary Mao Zedong and the reconstruction efforts of Deng Xiaoping to modernize the nation. It delves into the background of Deng to better understand the influences that shaped his character and directed his decision-making process. Specifically, the paper analyses Deng's reform and its impact on the economic, political, and national defense interests of the country.

### **Deng's Background**

Born on 22 August 1904 in Sichuan province, China, Deng Xiaoping grew up in a family of landowners and studied in a traditional Classics-oriented private school. At age sixteen, he left Sichuan for Paris to work and study. In Europe, Deng acquired a taste for western lifestyle although he did not abandon his traditional upbringing (Goodman 22-25).

Nevertheless, while in France, he made the acquaintance of Zhou Enlai and was recruited into the European Branch of the Socialist Youth League of China, which was a precursor to the establishment of the Chinese Communist Party (CCP). By 1924, after Zhou Enlai returned to China, Deng Xiaoping took over as the editor of the CCP's newsletter *Red Light* and became an active member and leader in Europe, promoting the communist cause. Later, he went on to Moscow to study politics at the University that was founded in honor of Sun Yat-sen. When he returned to China, Deng quickly rose in prominence to become the chief secretary of the Central Committee (Goodman 26-29).

Throughout the late 1920s, Deng remained active in organizing uprisings in the fight against Chiang Kai-shek's Nationalist government. Subsequently, he was appointed as the political commissar of the Seventh Red Army. By 1931, Deng started to come into close contact with Mao Zedong and became a firm supporter of his policies.

During this time, the foundation of the CCP itself was being tested. Mao Zedong routinely acted swiftly and decisively to put down rebellions and execute thousands of party members that were against his policies. Deng supported Mao in general, and his

loyalty earned Mao's trust and friendship, which would prove invaluable in later years. But Deng was not in favor of using revolutionary methods to run the country, and he would gradually promote moderation in its place. In contrast to Mao's indiscriminate persecution of intellectuals, Deng acted sensibly and helped to calm the hysteria of the frequent witch-hunts that were prompted by Mao (Goodman 34).

Following the founding of the People's Republic of China on 1 October 1949, Deng was instrumental in instituting many programs towards the restoration and reconstruction of the southwest region. Under his capable administration, the region flourished, and Mao was impressed. Deng was then summoned to serve in Beijing in 1952 (Yang 120). His direct contact with Mao and his shrewd manipulation of Mao's influence enabled him to rise to a position of prominence. While many party cadres did not survive the internal political struggles of the 1950s, Deng was highly astute in reading the political climate and stayed in Mao's favor by remaining neutral against his own conscience. He did not endanger himself by questioning the policies that led to the financial crisis of the nation. Instead, he cautiously supported Mao and remained loyal to him (Yang 143).

But even the pragmatic Deng recognized his limits in toeing the line of Mao's philosophy of Perpetual Revolution. Deng started to demonstrate his disillusion with Mao especially after witnessing the folly of the Great Leap Forward of 1958. Their relationship blew hot and cold from then on, and Deng was purged from the party on several occasions throughout his political career.

The Great Leap Forward and its commune system were greatly flawed. It was intended for the peasants to help solve the nation's problems by using their own ingenuity

and customary methods of production rather than rely on foreign technology. Instead, the campaign was a misadventure that devastated the country and set it back many years (Warshaw 122). It led to the "three bitter years" of suffering in which thirty million people died from starvation, and it also began to affect Deng's conscience and his respect for Mao's ability as a policy-maker (Yang 147).

Consequently, Deng began to align with Liu Shaoqi, who was Mao's party rival in the 1960s, and therefore, also fell out of favor with Mao. Liu and Deng stood for moderate policies against the radical and abstract principles of Mao (Yang 167). Hence, during the explosive Cultural Revolution of 1966, designed by Mao to purge the system of his opponents, Liu came under direct attack, and Deng was implicated. Deng confessed to charges of taking the "capitalist road" and was spared due to his willingness to repent and publicly acknowledge his "crimes." Placed under house arrest and banished into exile, Deng disappeared from the political scene for several years until his rehabilitation in 1973 (Yang 169).

By 1973, Mao had become disillusioned with his Premier, Zhou Enlai, and decided to bring back Deng as a check against him. Mao admired Deng for his resoluteness and problem-solving abilities, and he apparently intended for Deng to be the new successor. However, Deng started to shift away from Mao again, and by 1974, he began to pledge allegiance to Zhou (Yang 183). When Zhou died in 1976, Deng was blamed as the instigator of the riot that broke out in Tiananmen Square and was once again removed from his position of power.

Following Mao's death in 1976, Hua Guofeng took over the rein as the party leader. Since he was the chosen successor, Hua had to uphold the Maoist Thought and

thus promoted the doctrine of the "two whatevers (Chi 4)." This doctrine was essentially designed to profess continuing support for Mao's ideology of Perpetual Revolution, including the infamous Cultural Revolution. But there was growing mass dissatisfaction with Mao's ideology.

Consequently, by 1976, the people were ready to abandon ideological politics and eager to embrace stability, order, and economic growth. They wanted to focus on private concerns, and as a result, there was a push by a group of Politburo members and provincial leaders to rehabilitate and reinstate Deng Xiaoping. When Deng eventually came back to power with modernization as his rhetoric, he was a welcomed change for the people of China. Deng used Mao's flawed ideology as his political instrument and was able to usurp power from Hua by promoting the need to discern the "truth from facts." Eventually, he displaced Hua from his position of authority and took over as chairman of the Military Affairs Committee (Ch'i 6).

Clearly, Deng Xiaoping was a very capable man and was highly astute in the game of politics. He stood for moderate principles, but still, he was able to adjust as necessary to stay politically germane. He was shrewd, but above all, he was very pragmatic. Deng viewed his policies as means to an end, and so, he adjusted them to match whatever it took to achieve his goals.

### **Mao's Legacy**

Although Mao Zedong will always be known for breaking down the old order of exploitation by landowners and imperialists, his twenty-seven-year rule and his revolutionary methods left the people of China a legacy of chaos and a nation near despair. While his revolutionary formula was successful in amassing popular support necessary for the unification of China, it was not at all appropriate in administering the day-to-day welfare of the country (Hsu 12).

Mao's Anti-Rightist Campaign of 1957 led to the demise of many intellectuals with the invaluable knowledge and skills that China could ill-afford to lose. His Great Leap Forward devastated the countryside and set the nation back many years. And the Cultural Revolution attacked directly the core of the Chinese tradition and the social fiber of the country, leaving it in a pathetic state of disorientation (Warshaw 121).

Throughout his political career, Mao struggled and worked hard to establish a feasible political system for China. But after having achieved legitimacy for the CCP government, Mao's paranoia of intellectuals and insatiable need to maintain control led him to destroy the very system he so painfully built. Had his death been ten years earlier, he would have been cherished as the most outstanding man in China's modern history (Lieberthal 121). Unfortunately, he is remembered as the revolutionary who succeeded in uniting China, but only to plunge it into total disarray through his dictatorial



**mismanagement of the nation. Consequently, the arduous task of reconstructing the economy and nursing the society was left to succeeding generations.**

### **Deng's Vision**

When Mao died in 1976, there was a general feeling of hope and relief as the new leadership began to emphasize stability, discipline, and economic progress rather than the previous revolutionary rhetoric. Deng was rehabilitated in 1977, and his pledge to modernize China and to support freedom of expression was received with even more enthusiasm (Hsu 47).

The third plenum of the eleventh Central Committee of December 1978 was a watershed in the history of modern China. It was considered the beginning of the reform era and was one of a series of major meetings held to set the reform agenda (Goodman 90). Deng was instrumental in determining the agenda, and his immediate goals for the reconstruction of China were basically focussed on economic development, political reform, and ideological affirmation. The pragmatist in Deng was convinced that focusing on accelerated economic growth would lead to stability for China. In addition, he knew that a healthy economy would legitimize his leadership and ensure continued support for his regime (Chi 15).

Despite his recognition of the need for a healthy economy, Deng started with no clear master plan. His only tangible goal for economic growth was to achieve a GNP of \$1 trillion by year 2000 (Hsu 169). To achieve this, the nation needed to accelerate economic growth and to place new emphasis on foreign capital, science and technology, and managerial skills. Hence, he adopted the dual policy of economic growth and

opening the door to foreign investment. The closed-door policy of the nineteenth century created a big technological gap between China and the outside world, and the open-door policy was a conscious move away from the previous approach. By opening up and attracting foreign investment, China could integrate its economy with the world economy and absorb foreign capital, technology, and expertise (Hsu 171).

Essentially, the modernization plan was packaged under a series of programs known as the Four Modernizations. The intention was to transform China into a modern society with high growth rates and a high standard of living. The four areas of emphasis were agriculture, industry, national defense, and science and technology (Goodman 79-82).

The Four Modernizations originated from the thoughts of Zhou Enlai, who first articulated the notion of renewal in 1964 and targeted the turn of the century as a goal to achieve comprehensive modernization for China. However, his proposal did not take off due to the start of the Cultural Revolution in 1966. When Zhou tried to revive his reform programs in 1975, they were once again rejected due to the intervention of the Gang of Four, which declared modernization as a capitalist scheme. It was only after Mao's death and the smashing of the Gang of Four that the programs of the Four Modernizations were able to be reintroduced (Hsu 93).

While Mao charged the people to work based on their sense of patriotism, Deng advocated a system more attuned to the tenets of capitalism. Deng and his supporters believed that the stagnant economy and lethargy of the work force left by Mao needed a kick-start through incentive-based mechanisms (Chi 17). Understandably, there were conservatives within the old cadres who were hesitant to adopt radical changes. But

Deng dispelled fear of moving towards capitalism by articulating his vision of building "socialism with Chinese characteristics." The enduring principles of the Chinese economy would remain socialist with the state owning the means of production, but at the same time, market forces would be allowed to influence the demand and supply for goods and services (Hsu 168).

The two key objectives of the economic reform were aimed at increasing efficiency and productivity among the workers and increasing the overall standard of living among the general population. To achieve these objectives, a fundamental change was required, and this involved handing the control of resources and income over to the local enterprises. These enterprises were then able to exercise initiative and freedom of choice to determine production rates and the use of resources. They were also able to implement incentives to enhance productivity among the workers (Kau 173).

Deng's vision for economic growth also generated the need for political and administrative reform of the party leadership. He needed to create a political system that could manage the complexities of modernization, and he needed to ensure continued support for his plans. Deng also advocated military reform, and he intended to cut cost as well as to develop a new strategy to meet the changing demands of national security. He thought it was timely to exploit the relative peace and stability enjoyed by the world in the late 1970s. Deng's national defense plans included upgrading the military with high technology weapons, streamlining through downsizing and rationalizing its roles, and developing in-house capabilities to support military requirements. In addition, emphasis was also given on science and technology so as to narrow the technological gap created by years of isolation due to the flawed self-sufficiency policy.

### **Breaking the "Iron Rice Bowl"**

In the agricultural sector, Deng recognized that collectivization was the main obstacle to economic growth. Under collectivization and the commune system, the peasants were guaranteed the "iron rice bowl" regardless of work output. They would always have enough food, adequate clothing, and a place to live. These guarantees had caused the farmers to be unproductive with no incentive to work hard (Hsu 171). Hence, Deng set out to dismantle the commune system and replace it with a "Production Responsibility System" (Meisner 227). He encouraged people to work hard for their living and promoted getting rich as a virtue.

The responsibility system was a contract between the state and individual households to produce a certain amount of grain in return for a guaranteed purchase price by the government (Goodman 93). Households received land and were allowed to make independent decisions on choice of grain and fertilizer and to determine their work schedule and labor allocation. The incentive to work hard came in the form of increased payment for additional grain produced beyond the contracted amount. The more the farmer could squeeze out of the allocated plot of land above the quota, the more he stood to gain per unit of grain produced. This responsibility system was started in 1979, and by 1984, almost all households reverted to this system. When land assignment to farmers was increased to fifteen years, it gave them even more flexibility to commit to long-term projects. This long-term land allocation came closest to private ownership since the

establishment of the People's Republic of China. In addition, along with the introduction of the responsibility system, job specialization and division of labor were established. This emphasis was promoted to achieve efficiency, but it also enabled other industries like fishery and animal husbandry to emerge (Hsu 172).

The overall result of the agricultural reform was a dramatic increase in yield and productivity. There were remarkable growth rates in grain production as a result of the incentive system that was introduced. Annual production growth rate rose from 2.1% in 1978 to 4.9% in 1984. The overall production of crops and livestock also rose by about 50% between 1978 and 1984. In addition, the farmers were able to drastically reduce their time spent working in the fields from three hundred days to a mere sixty days a year. As a result, from an importer of grain, China had become a net exporter of agricultural products, and it recorded a trade surplus of \$4 billion during the period 1980 to 1984 (Hsu 174). Clearly, the economic reform was responsible for the new prosperity and a higher standard of living in the rural areas, and the economic success was attributed to "decollectivization."

But at the same time, the dismantling of the commune system also had some negative impact on society. The commune system had invested heavily in large farm machinery such as tractors and combine harvesters. However, with the dismantling of the commune system, farmlands were divided into smaller plots, and such machinery became impractical and was left to waste (Spence 712). The commune bridges also previously undertook large projects like mechanized pumping for the irrigation of farmland, but these tasks were similarly neglected, and the land was left to deteriorate. Arable land for cultivation was already in scarcity in China due to increasing use by new

industries and new farm housing. The poor irrigation simply worsened the situation by not exploiting the limited land resource (Hsu 175).

Moreover, the low prices of grain resulted in low profit margin, which had an immediate impact on agricultural production. Workers of other industries like animal husbandry, fishery, construction, and communication were reaping higher profit margins of an average of three to four times more. This disparity caused many farmers to turn to non-crop industries, and grain producing became a supplementary business, leading to its decline (Hsu 176). The bigger impact of this shift in economic activities was a "cyclical process of gluts and shortages" in agricultural products causing a corresponding fluctuation of prices and rising inflation (Meisner 239).

The household incentive system inherently encouraged families to raise more children to help in the fields. Against the burgeoning population explosion of China, wherein the draconian one-child policy was strictly enforced, this tendency by rural families to have more children added to the social problem. Moreover, the preference for boys over girls led to the horrifying practice of female infanticide (Spence 714). By keeping them at home to help with farm work, these children were also naturally deprived of a basic education. Hence, rural education suffered a decline during the transitional period.

The key idea behind the industrial reform was to allow market forces to determine economic activities. This move meant that direct government control would be substantially reduced, and the urban enterprises were allowed to make decisions (Meisner 288). But these policies were hints of the tenets of capitalism. In fact, the urban reform measures contained several distinct features of capitalism. The first of these was the

principle of profit-based enterprise. Factories need to produce goods with an adequate profit. Otherwise, they would be at risk of closing down. The second feature of capitalism was wage labor. The communist "iron rice bowl" was no longer a guarantee as workers were paid, hired and fired according to their performance and productivity as well as the demand for their skills. Another capitalist feature was price reform. The prices of certain critical products such as steel, coal, and oil remained under state control, but the state no longer set artificially low prices on agricultural products and consumer goods. Rather, these commodities were allowed to fluctuate according to market forces (Meisner 290-292).

The main intention of the industrial reform was to "rekindle work enthusiasm" and to "unleash the full potential of the workers." To do this, material incentive in the form of profit making was used to promote more active participation in their work (Hsu 178). Similar to the agriculture sector, an Industrial Responsibility System was set up with a contract between the state and the individual supervisory body of the state enterprise to produce an agreed quota of products. More effort would produce higher pay and plant managers could use profits to supplement workers with bonuses and welfare benefits and to commit to other initiatives as they deemed appropriate (Hsu 179).

The impact of the Industrial Responsibility System also resulted in a dramatic increase in productivity. Factory managers were given the freedom to exercise initiative, and consequently, they were able to maximize manpower resources. But, this newfound power and ability to control and manipulate brought about the unwanted effect of corruption. Officials engaged in illegal resale of goods and exploited their position of influence with the practice of nepotism (Spence 715).



To this day, graft and corruption are still a major problem in China, and they are due to both opportunity and the lack of restraint. The opportunity exists in that government officials are able to exercise considerable discretion in dealing with economic activities, and the chances of being apprehended are remote, while the gains can be substantial. An important consideration to Deng in his economic reform was ensuring continued support for his reform programs. But this assurance came with a price. He appointed his cronies into top official positions to oversee the reform programs, but at the same time, their family members and subsequent offspring were permitted to gain from their position of influence. While the party leaders have often acknowledged the existence and ill effects of corruption, nothing significant has been done to eradicate the problem. It is partly due to the fact that leading families within the party still wield significant power and have pecuniary interests in preserving the practice of receiving fringe benefits (Lieberthal 267-269).

To generate foreign exchange to finance modernization and to absorb foreign science and technology, a number of initiatives were adopted, the most significant of which was the establishment of the Special Economic Zones (SEZs). As gateways to the international community, China's southern provinces of Guangdong, Fujian, and Hainan Island were established as SEZs with economic and fiscal environments that were conducive to foreign investments. These areas would also act as a filter for undesirable foreign influences (Goodman 94). Undoubtedly, this fear is a reflection of the impact of foreign subversion during the nineteenth and early twentieth century.

But despite the far-reaching goals of the SEZs, they did not achieve their primary objectives. Instead, they generated many unanticipated problems. Rather than exporting

their products overseas to gain foreign capital, the SEZs managed to consume capital instead. The SEZs also brought back memories of the old treaty ports where foreigners assumed superior status, and they exploited the cheap Chinese labor. Decadent social vices like prostitution also returned to the cities within these zones. Corruption was rampant and black marketing in foreign currencies also flourished within the cities (Meisner 280).

The economic reform also brought about an increase in private businesses and free markets in both the rural and urban areas. The people of China started to enjoy a higher standard of living, and many people were able to afford more consumer goods. However, the increase in demand for consumer goods drove up prices and resulted in escalating inflation. Inflation, in turn, created panic buying and hoarding that aggravated the problem due to the decline in grain production (Spence 735). The inflation rate in China in 1980 was 7%. While this appears to be modest by any standard, it had a stunning effect on the people of China, as they had been accustomed to complete price stability over the previous thirty years. Wage subsidies were given to workers to offset inflation. But this measure contributed to the growing state budget deficit (Meisner 262-263). The growing outflow of funds from the state to the local enterprises led to the introduction of income tax to offset the imbalance, a practice that was previously unheard of in Communist China.

The adoption of a market economy operating on a profit-making basis and the decentralization of decision-making to the individual enterprises provided factory managers with the flexibility to determine production schedules and wages according to market conditions. Invariably, this system of managing the economy resulted in free-

market labor, but it was also the cause of increased unemployment. In striving towards achieving better efficiency, many factories were closed, and millions of people suddenly found themselves without a job. Gone were the days when people were guaranteed the "iron rice bowl." The booming population growth exacerbated the problem by adding six million urban youth to the labor force each year. In addition, many peasants migrated to the urban districts looking for jobs, thus further contributing to the competition for employment in the cities. Consequently, the high unemployment rate in the cities resulted in a corresponding increase in crime rate (Meisner 264).

To offset the problems of unemployment, Deng's government encouraged private entrepreneurs in the 1980s. The result was a dramatic increase in self-employment, with many in the service and retail sector. Many people performed odd jobs like peddlers, servants, cooks, gardeners, janitors, and nannies, and small businesses like repair shops, barbershops, and private inns and restaurants were also established. Previously, state employees performed these service functions, and there were very few as they were provided only to high government officials. The rise in private enterprises not only helped to alleviate the problems of unemployment, but also transformed the urban areas into busy cities pulsating with activity (Meisner 265).

The shift towards individual enterprises had social implications as well. Where such personal services like domestic servants were previously found only in the homes of important government officials, they began to find their way into the homes of successful businessmen and professionals in the 1980s. Social disparity, which was taboo and considered anti-socialist previously, was becoming accepted as a way of life. Those better endowed with abilities, those having access to resources, or simply those who were more

motivated were able to get rich fast and attain social prestige. Invariably, the politically connected were able to exploit their position of influence, making "the rich get richer."

Economic growth and the availability of individual enterprises effectively created a class of elite that engaged in trade and commerce and exploited waged labor, while the socially deprived remained as the cultivator of the land or factory hand that worked incessantly to make ends meet. Society in Communist China has been transformed, and class distinction is clearly visible today. In the urban areas, the service providers who form a distinct "functional underclass" serve the needs of the middle and upper class of bourgeoisie comprising successful entrepreneurs and intellectuals (Meisner 266). In the countryside, several distinct social groups exist. The rural bourgeoisie are the private owners and contractors of local enterprises who control most of the wealth. But the majority in the rural areas are peasants working in the farms, their economic status varying dramatically from a class of "new rich peasants" to the very poor living well below subsistence level. There is also a working class of wage laborers, some of whom hold regular jobs in the farms, while others are impoverished, doing odd job labor or simply unemployed (Meisner 251-252). These impoverished people form a floating labor force that migrates in search of work, and in the process, they present a source of social conflict for both the cities and the rural areas. Essentially, with the growing inequality of income distribution and social class division, the seeds of capitalism were sown, and it will invariably have long-term consequences on the social landscape of China.

The removal of the "iron rice bowl" guarantees created other social problems as well. The availability of food, shelter, clothing, fuel, and burial expenses used to be guaranteed by the state. But with decollectivization, the state could no longer provide

welfare funds for the elderly, the handicapped, and the destitute. Individual households had to absorb this function, but they are nearly always inadequately equipped to perform this function (Meisner 247).

### **Leadership and Democracy Movement**

When Deng took over the rein of the CCP in 1978, he inherited from Mao an inefficient bureaucracy of 21 million cadres. The top-heavy cadre corps consisted of three layers of officials that were enlisted to serve different roles. The first echelon was the generation of the Long March, where most members were recruited from the peasants, and they retained their position based on political loyalty. The second echelon was the anti-Japanese war generation. Examples of these people include Deng's two protégés, Hu Yaobang and Zhao Ziyang. Finally, the third echelon was the generation of the civil war era in which Jiang Zemin was a part of (Kau 36).

While many of the party elite were ready to embrace modernization in the late 1970s, there were the more conservative cadres who were not in support of Deng's reforms. Hence, Deng was intent on establishing a new style of leadership. He emphasized the "need for the routinization of government, for the re-establishment of party democracy, and the maintenance of party-led democracy (Goodman 98)." Deng stressed that the CCP should guide rather than govern, and that routinization of government was needed to foster economic modernization and good relations between the CCP and the people. He also emphasized party-led democracy, which encouraged individual and group initiative. Yet, Deng had his limits especially when the leadership of the CCP was being challenged (Goodman 97-99).

The main problem with the older cadre corps was their low educational level, which presented a big obstacle to Deng's reform. Mao's Cultural Revolution resulted in the purging of many intellectuals and talented individuals. This move created a technological gap between China and the western world, and although many of the old cadres were rehabilitated, most had become out of touch with the modern world and its new technologies. Moreover, there was no retirement system to remove the old and ineffective members. Yet, many of them were part of the party elite, and any attempt to revamp the political structure would have definitely antagonized them. Hence, Deng had to devise an incremental approach to reorganize the party leadership (Kau 37-38).

Deng realized that in order to effect sweeping changes to the country's economy, he needed to remove the aging and ineffective leaders within the party and enlist a new generation of younger and more competent leaders. The new blood would rejuvenate the party and establish a collective leadership that engages in discussions and debates. But, to attract the old cadres into retirement, much financial and other benefits had to be paid out to them. This policy not only incurred a large financial burden on the government, but also enabled the large veteran elite group with their newfound wealth to become a significant influence in society as civilians (Kau 51-52). Nevertheless, it was essential to get rid of the old cadres, as the younger and more educated leaders would be better equipped with the necessary technical skills and expertise to accomplish his reforms. In the process, he also eliminated all those who did not support his reform policies and placed his supporters in key appointments to ensure continuity for his reform programs (Kau 38). He streamlined the organization into a leaner structure with clear demarcation

of responsibilities. Conversely, he also ensured that the group of younger leaders maintained a balance between reform and the central planning concept (Hsu 227).

In essence, Deng's plan was to evolve the echelons of leadership to succeed each preceding batch of retiring party leaders as in the employment of echelons of military forces in war (Chi 75). Today, we do see a gradual change of leadership to the third echelon with people like Jiang Zemin taking over the helm. His effort to reform the leadership structure did succeed in transforming the bureaucracy into a younger and more educated group of officials. The majority of this group are technocrats without the experience of the revolutionary era prior to 1949 and are currently in key positions of influence. They share Deng's pragmatic approach and are more focussed on the practical problem-solving aspect of leadership than the revolutionary aspect of class struggle and political ideology. Consequently, they are more prepared to take on the challenges of modernizing China (Kau 48).

However, there remain fundamental problems that need to be resolved in order for the political machine to function effectively. Essentially, the political party under Deng was troubled by three main areas: leadership, discipline, and relations with intellectuals (Chi 260).

In theory, the creation of a systematic transition of leadership to each succeeding echelon appears feasible. But in reality, there is a tendency for the retired old guard to maintain influence in the political arena and interfere with the policy decision-making of the new leadership. Deng himself set such an example in 1987 when he relinquished his appointment from the Central Committee and Politburo while still exercising ultimate control over the party (Chi 268).



Party discipline under Deng was even worse than during the Mao era. It is possible that the chaos and confusion left by Mao's disastrous campaigns contributed to the self-serving attitudes of many party members who found it necessary to exploit, while they could, anything they could lay their hands. This was especially true of the old cadres who had been rehabilitated in the late 1970s. Yet, Deng was in need of their support for his reform and thus failed to discipline them for their unscrupulous misconduct. Corruption and abuse of power were certainly key attributes of the people's grievances against the party and have contributed directly to student unrest and the push for the Democratic Movement since the 1970s (Chi 261-262).

The third problem that haunts the Chinese government is the party's relation with intellectuals. The CCP has constantly pledged to respect the opinions of the intellectuals of the country, and on many occasions, it has encouraged them to speak up publicly on issues of discontentment. In fact, Deng came to power proclaiming his support for the Democracy Wall Movement in the late 1970s, and in return, he received the people's endorsement for his restoration to power. However, he turned against them when they began to criticize his leadership. But student unrest continued, and those who had studied abroad returned with western influences, and they rallied for political liberalization including a system that embraces private ownership and political pluralism (Chi 260). The people of China had tasted the fruits of capitalism, and they wanted more. They wanted democracy.

Wei Jingsheng was a young man who insisted that the Four Modernizations were inadequate to transform China into a modern society. He insisted that China needed political liberalization and consequently coined the term, the Fifth Modernization to

represent democracy. Wei contributed to the Democracy Movement during the late 1970s with his poster writings on the Democracy Wall, and he equated the Fifth Modernization with "the right of the people to choose their own representatives." He challenged the teachings of Lenin and Mao and demanded that the nation's modernization be built upon the freedom and rights of the people (Spence 662).

But Deng belonged to the revolutionary era and would not allow the authority of the party leadership to diminish. Hence, when he felt that his leadership was being threatened, his reaction was to condemn the Democracy Movement as "bourgeois liberalization." He reverted from pro-democracy to the "Four Cardinal Principles," which uphold the socialist line, the proletarian dictatorship, the leadership of the Communist Party, and Marxism-Leninism and the Thought of Mao (Yang 207).

### **Military Modernization and Science and Technology**

Deng Xiaoping inherited from Mao a military that was characterized by "multifunctionality, structural diffuseness, and politicization (Kau 334)." During Mao's era, the civil-military relationship was considered exceptionally critical as the legitimacy of the CCP leadership rested on the support of the population. In the struggle against the Guomindang (GMD) forces of the Nationalist Party, and in launching the land reforms for the peasants, the People's Liberation Army became entrenched within the masses. Soldiers participated in the daily activities of the people and, apart from their military training, they performed political, economic, and cultural roles as well. The communist ideology did not emphasize a distinct rank structure, and officers and soldiers shared similar living quarters, facilities, and other entitlements.

The Great Leap Forward and Cultural Revolution further deepened these characteristics. During these periods the military provided more aid to the civilian economy in construction and performed peacekeeping functions. And the rank and status of military officials became even less significant. Yet constant pressure for promotion eventually led to an exceptionally high officer-to-soldier ratio of 1:2.45. Even sophisticated military forces of more developed countries have much lower ratios. The soldiers were just as politically engrossed as the masses in studying the wisdom of Mao's Thought that can be found within the little red book published by the CCP (Kau 337-339).

Deng sought firstly to reestablish the rank system in the attempt to evolve a professional military force (Kau 343). However, Deng also saw the role of the military in the Chinese economy as equally important as Mao saw it. Consequently, he also employed the troops to assist in domestic areas. PLA forces were employed to perform services for the civilian including menial and demeaning tasks such as road sweeping, road resurfacing, sewer dredging, and garbage removal. These measures ran counter to the objective of evolving a more professional fighting force. Deng also removed PLA privileges in an attempt to appease civilian jealousy. While these measures proved beneficial in improving the relations between civilian and military, they also caused morale problems within the military organization. Deng sought to reestablish the rank structure, but in doing so, he also created the opportunity for corrupt commanders with their newfound status to exploit their subordinates (Kau 347-348).

Military modernization was considered the lowest priority of the Four Modernizations. Regardless, Deng saw the need to restructure the military in several key areas when he took charge in 1978. He viewed the world then as moving along a new trend of peace and stability. Deng was also acutely aware that China's attack on Vietnam in 1979 revealed many weaknesses of the PLA. Its land forces operated without air cover, and communication between units engaged in battle was poor (Shambaugh 136). Therefore, it was also necessary to re-equip it with high-tech weapons in preparation for modern warfare. Deng outlined a policy of "Active Defense" as the guide for the transformation of the military, which emphasized the credible defense of China with the ability to react to the demands of modern-day threats. The Chinese defense strategy was based on the twin consideration of developing a nuclear capability to counter the super

powers and to upgrade conventional weaponry to cater more to the contained arena of regional conflicts. China's keen intent on building a credible defense capability was based on its national priority of preserving its territorial sovereignty. The bad experience and humiliation of foreign occupation and exploitation were vivid memories of the old guards, and they needed to ensure that part of history does not repeat itself (Soled 266). The modern military forces of China needed to develop 1990 state-of-the-art capabilities to manage and control the country in the event of civil war and social disorder as well as to be able to deter foreign aggression and protect its territorial sovereignty.

Deng Xiaoping's emphasis on military modernization included developing a new strategy with compatible weapon upgrades, consolidating and reorganizing the PLA, and rethinking the role of the military vis-à-vis the civilian population (Kau 340). Hit-and-run guerilla warfare was obviously inadequate and outdated in a conflict with a modern hostile nation. What was needed was to transform Mao's peasant-based infantry Army into a professional body with technological competence (Soled 265).

His military strategists saw the need to shift from conventional warfare to a localized war of limited objectives. They deemed that China's engagement in regional conflict would be more likely than a full-up international crisis. Taiwan's declaration of independence and disputes over territorial claims in the Himalayas and the Spratley Islands in the South China Sea were seen as likely scenarios that needed flexible and rapid responses (Soled 265). Hence, China's military modernization included a fundamental doctrinal change to react to regional conflicts through forward defense and limited force projections. This change is a conscious shift away from the previous

concept of luring the enemy deep into Chinese territory and encircling him before crushing his forces (Shambaugh 137).

The need to project forces to regional theater of operations motivated the development of a more capable long-range Air Force and "blue water" Navy. China did not have the necessary expertise to develop long-range capabilities, but normalization of relations with the Soviet Union in the 1980s enabled it to acquire cheap military hardware with such enhancements. The Air Force's modernization plans included the acquisition of Soviet Sukhoi-27 Flanker long-range fighters. In-flight refueling and all-weather capabilities were also key development features. In addition, Chinese pilots and support personnel trained in the Soviet Union and adopted Russian doctrine and tactics (Soled 278-279).

The PLA Navy upgrade plans took into consideration the primary objective of policing China's sovereignty interests in the South China Sea. To develop a credible naval presence in these waters, China's equipment upgrades included Russian Kilo-class diesel submarines and improved air defense weapons and fire control systems. However, the limited enhancements only allowed a modest regional naval defense capability with the bulk of the Navy still concentrated on coastal defense roles (Soled 278).

Military modernization also brought about a streamlining of the PLA infantry, reducing it by a million soldiers. They sought to provide it with younger and better-educated personnel to manage and operate high technology equipment. There was also the need to develop a rapid reaction force, and the limited resources were concentrated on providing for the equipping, training, and leadership enhancement of these rapid deployment units. But still, logistical support, combat transportation, air defense

protection, and communication support were inadequate. Hence, the ground forces' ability to rapidly project forward to a regional theater of operation remains limited for the immediate future (Soled 275).

While normalization of ties with the Soviet Union enabled China to purchase much Russian equipment and absorb Russian technology, Deng and other party leaders were well aware of the need for self-reliance. Consequently, there was a parallel effort to develop an in-house capability to support the defense requirements of the military through expanding the scope of the Defense Industry (Shambaugh 138). In fact, the defense industry has become a major element in China's military modernization. The Commission for Science, Technology, and Industry for National Defense (COSTIND) was established to oversee the research and manufacturing of defense equipment by local industrial ministries. Some of these ministries include the China National Nuclear Corporation, Aviation Industries of China, the China State Shipbuilding Corporation, and the China National Space Industry Corporation (Soled 269).

This emphasis brought about significant growth in the defense industry sector. By the 1980s, China's arms sales to Third World countries was rapidly challenging that of other major arms exporters like the United States, Great Britain, France, and the Soviet Union (Soled 271).

Today, China is still far from becoming a superpower military force to challenge that of the United States (Shambaugh 141). Neither does it appear to strive towards such a goal. Nevertheless, China's secrecy with regards to its defense budget and spending continues to cast a shadow of doubt over its territorial policies and long-term military objectives. In any case, the reform has enabled China to attend to its immediate concerns

with regards to sovereignty and regional territorial conflicts. But certainly, under Deng's watch, China's modernization has enabled it to become a more credible regional power capable of limited force projection into a regional theater of operation and meeting modern threats in positional warfare. The strategy of developing its defense industry to support its own military requirements will ensure that the military will continue to be closely integrated with the civilian science and technology sector.

But China's interest in Science and Technology goes beyond developing defense capabilities. The desire to attract foreign investment was a key motivation for acquiring advanced Western technologies. Also, to sustain economic growth, productivity must be increased through better-trained workers and technological advancements. Naturally, China turned to the United States as its first source. Among other things, China's interests were in fields such as supercomputers, microbiology, and material sciences. It also turned to Europe, Japan, the Soviet Union and other Eastern European nations for such technology transfer. One of the important means of acquiring this technology transfer was through the large numbers of Chinese students that went abroad to study (Kau 142).

Deng Xiaoping's emphasis on science and technology included ambitious programs on information technology and space development. Specifically, this emphasis has enabled China to find its niche in space as it focuses on space launch capability. It continues to secure a major slice of the international space launch market today and is expected to be even more involved in the joint development of international space endeavors (Johnson 50-53). Another aspect of science and technology that has achieved dramatic progress was in the area of medicine. Many young people were superficially



trained with basic knowledge of administering drugs and patient care. These "bare-foot doctors," as they were known, contributed greatly to an improved medical system in China, and they were able to alleviate the health care problem of the nation (Warshaw 150).

### Conclusion

Mao Zedong left behind a legacy of chaos when he died in 1976. His idea of running the country was by inciting the masses to action in support of whatever he thought was good for China. Having won the battle against the Guomindang Nationalist Party headed by Chiang Kai-shek in 1949, Mao was revered as a demi-God of Communist China. Hence, he was able to rule China as a dictator. His paranoia of intellectual elite plotting against him drove him to launch campaign after campaign to purge the system of his enemies, the so-called revisionists and capitalist-roaders. Consequently, his Perpetual Revolution ideology created havoc and plunged the nation into great upheaval, leaving its people disoriented.

Under Mao, Deng Xiaoping was purged three times from the Chinese Communist Party, but eventually, he was able to become the preeminent Chinese leader of the twentieth century. When he came into power in 1978, Deng transformed the nation from an impoverished state to one of relative prosperity. His modernization reform for China has set it on the road towards becoming an international player on the world stage in the twenty-first century. Indeed, he will be remembered for the reconstruction of China, and his impact will be felt for generations to come (Shambaugh 1).

Deng was a pragmatic man and was very different from the revolutionary Mao Zedong. Despite their differences, Deng was able to survive the unorthodox Mao, and the primary reason lies with his adaptability. He was described as "a fixer, an organizer,

and a reformer," and was admired by Mao for his administrative abilities (Goodman 15). Under his rule, Deng effected sweeping changes to the economic, political, military, and science and technology sectors of the country. His famous maxim was "It doesn't matter whether the cat is black or white, as long as it catches the mouse." He was willing to try anything as long as it enabled China's economic progress. This economic pragmatism has achieved impressive double-digit growth in the 1980s and early 1990s and has tremendously improved the standard of living in China. However, it has also created socioeconomic and political tensions associated with the incompatibility of socialist ideology and capitalist market economy.

Deng's economic reform included adopting profit maximization and work incentive to increase efficiency and productivity. The breaking of the "iron rice bowl" and the dismantling of the commune system certainly enabled a significant increase in yield of agricultural products and output of industrial goods. But it also created economic disparity and social classes among the people. The free market labor also generated unemployment and the burgeoning population exacerbated the impact of joblessness. His open-door policy that was intended to attract foreign capital and technology brought along unintended repercussions as well. Increased demand for consumer goods and easing of price controls led to high inflation rates, and corruption found its way to the highest officials in the party leadership. Nevertheless, China after Deng is certainly much better than China after the Great Leap Forward and the Cultural Revolution of the 1950s and 1960s. The people today enjoy a higher standard of living and better quality of life.

Deng also effected changes to his party leadership. He needed to replace the old and ineffective cadres with younger and better-educated leaders who could manage his radical reform. Further, he needed to restructure the CCP with his loyal supporters in key positions to oversee the programs of reform. He also planned for political succession by evolving echelons of officials that could pass on the leadership smoothly from one to the other. But Deng was not able to enforce strict party discipline. As a result, corruption and exploitation among officials at all levels was worse than during Mao's era. Consequently, social unrest resulted in student uprising demanding freedom, equality, and elected representative government. In reference to Deng's Four Modernizations, a fifth modernization was advocated by students to represent democracy. However, Deng's idea of democracy was for the country to be run more efficiently, and not for the CCP leadership to lose its control over the people. He did not intend for the CCP to "disappear through the ballot box (Goodman 94)." Hence, when his leadership was challenged, Deng reacted by ruthlessly putting down the civil unrest that culminated in the massacre at Tiananmen.

Therein lies Deng's mixed concept of economic progressivism with market reform while maintaining a Leninist political system and ideology. It obviously generated ambiguous achievements, but more importantly, he missed the opportunity to truly transform China into a nation with a more representative form of government (Yang xiii). Nevertheless, Deng was deeply nationalist and did not believe in blindly following Western ideology. Rather, he believed that his "socialism with Chinese characteristics" was the most appropriate for his country.

Apart from domestic restructuring, Deng was also aware of the need to restructure China's military in order to face up to the modern threat. His military reform programs included identifying a new strategy and role for the PLA in the light of the New World Order of relative peace and stability. The key emphasis was to transform the PLA into a regional power to engage in sustained operations around its periphery. This transformation involved acquiring high technology equipment and downsizing the militia. At the same time, the defense industry was also developed to accommodate military demands. But under the bigger scheme of things, Deng emphasized science and technology as one of the Four Modernizations and ventured into microbiology and space-launch rockets as key areas of focus.

In the final analysis, while rebuilding China, Deng Xiaoping inevitably set in motion a trend towards liberalization. He attempted to save socialism, but his success with modernization through capitalist principles prevailed, albeit plagued with some socioeconomic and political problems. Using an arbitrary assessment technique employed by Mao, perhaps, we can fairly attribute Deng's reform legacy as 70% good and 30% bad. But, whatever the judgment passed on him, one thing is for certain: Deng Xiaoping has enabled China to rise again, like the phoenix out of the ashes, and it continues to be an increasingly important actor on the world stage.

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