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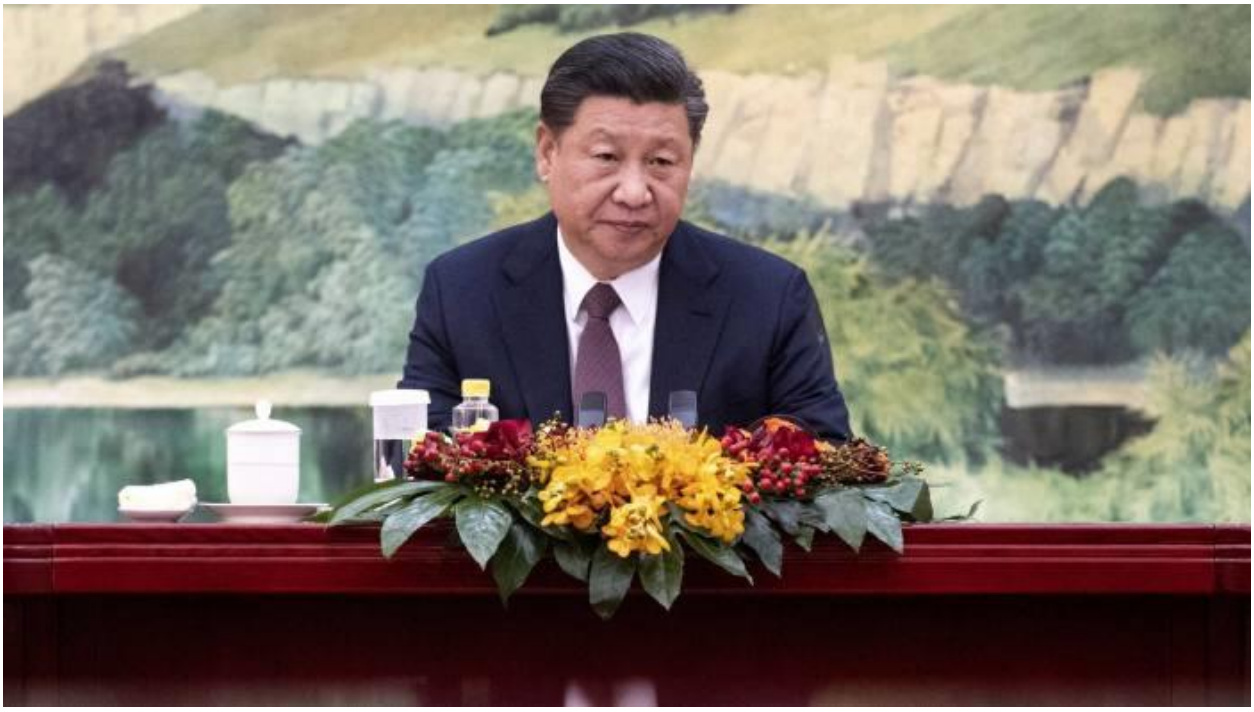
Economists share blame for China’s ‘monstrous’ turn

Western intellectuals must now seek to contain Beijing



Chinese president Xi Jinping's style of leadership is 'reminiscent of Stalinist times'
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by Janos Kornai

The leaders of modern China won’t be satisfied with turning their country into one of the leading powers of the multipolar world. Their aim is to become the hegemonic leader of the globe.

The idea is not, of course, to station Chinese soldiers everywhere. The means of domination would be different in each country, just as it was in the British empire of old. Some countries would literally be under military occupation. Elsewhere it would be enough to form governments compliant to Chinese wishes.

Chilling changes are taking place inside China. Former leader Deng Xiaoping sidestepped the question of capitalism versus communism, saying: “It does not matter if the cat is black or white so long as it catches mice.”

But it does matter to China’s present leader, Xi Jinping. He wants China to return to the classic communist system. His style is reminiscent of Stalinist times. Deng’s status as paramount leader was not codified in the legal system. But Mr Xi changed the law to allow to him to serve as president for life.

Mr Xi has required Communist party committees to be formed inside all sizeable institutions and companies. In certain areas, these can overrule management. Some readers may recall that during the civil war after the 1917 Soviet revolution, the commissar chosen by the party could oust the military commander appointed by the generals.

Show trials are going on, marked by the characteristics of modern China. Anybody can be taken to court for corruption. Some people really are corrupt, other cases are not so clear. Prisoners are being tortured and executions have become common again.

Thanks to the internet, the central government has not suppressed freedom of speech and press completely. Political discussions can take place in small groups, but the network of prohibitions is thickening, and the risks associated with criticism are growing.

Are not western intellectuals also responsible for this nightmare? We not only watched China’s transformation with approval but actively contributed to these changes. We are the modern version of Mary Shelley’s *Frankenstein*, the 19th-century tale of an experimenting scientist who brought a dead body to life using that era’s technology: the electric shock. The resurrected creature became a murderous monster.

Many of us already bear moral responsibility for not protesting against the resurrection of the Chinese monster, or even worse because we have taken on an active role as advisers. I include myself here: I took part in the Bashan conference in 1985. Seven western economists and leading Chinese policymakers were put on a luxurious boat floating on the Yangtze river. I lectured on how the country should be transformed into a market economy. When market reforms were taking off, my written and spoken ideas, including my book *Economics of Shortage*, had powerful effects.

I was not alone. Many other western intellectuals gathered at conferences and shared their thoughts. We all agreed that new life would be brought to China, which had frozen under Mao, by the electric shock of marketisation and private property. All of us who advocated this plan were Frankensteins. Now, the fearsome monster is here.

Many people ask “What should we do now?” Here are a few warnings. It is not possible to resist the Chinese expansion drive solely by raising tariffs. China is advancing on all fronts, by putting state of the art devices into the hands of the world’s biggest army. Beijing is also quick to innovate and to use new technology to influence the political and economic life of its rivals.

I oppose any government action and propaganda that treats individuals with suspicion on the basis of their facial features, family roots and genes. However, it is also a fact that the Chinese diaspora constitutes a huge pool of human resources from which the country’s leaders can select their own men.

Investors worldwide are enthusiastic about investing in China. In their eyes a stable dictatorship is a more secure environment than a wobbly democracy. Luckily other capitalists have more active consciences, and are motivated by human solidarity.

Everyone should think twice before helping China make devices which can be used in physical or digital warfare. The gates of universities should be open to Chinese students — except when they are seeking to learn how to build an arsenal for modern war.

Back in the 1940s, the US diplomat George Kennan argued that the best way to oppose communism was “containment”. This far and no further! Or more precisely: no further in this direction! What has happened already cannot be undone. But here we must stop, and we must take far more care to avoid carrying on in the role of Frankenstein.

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