

# INSCRUTABLE CHINA: READING STRUGGLES THROUGH THE MEDIA

by Silvia Federici

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate.

-Karl Marx, *Communist Manifesto*

Why are the people starving?  
Because the rulers eat up the money in taxes.  
Therefore the people are starving.  
Why are the people rebellious?  
Because the rulers interfere too much.  
Therefore they are rebellious.  
Why do the people think so little of death?  
Because the rulers demand too much of life.  
Therefore the people take death lightly.  
Having little to live on, one knows better than to value life too much.  
-Lao Tsu, *Tao Te Ching*

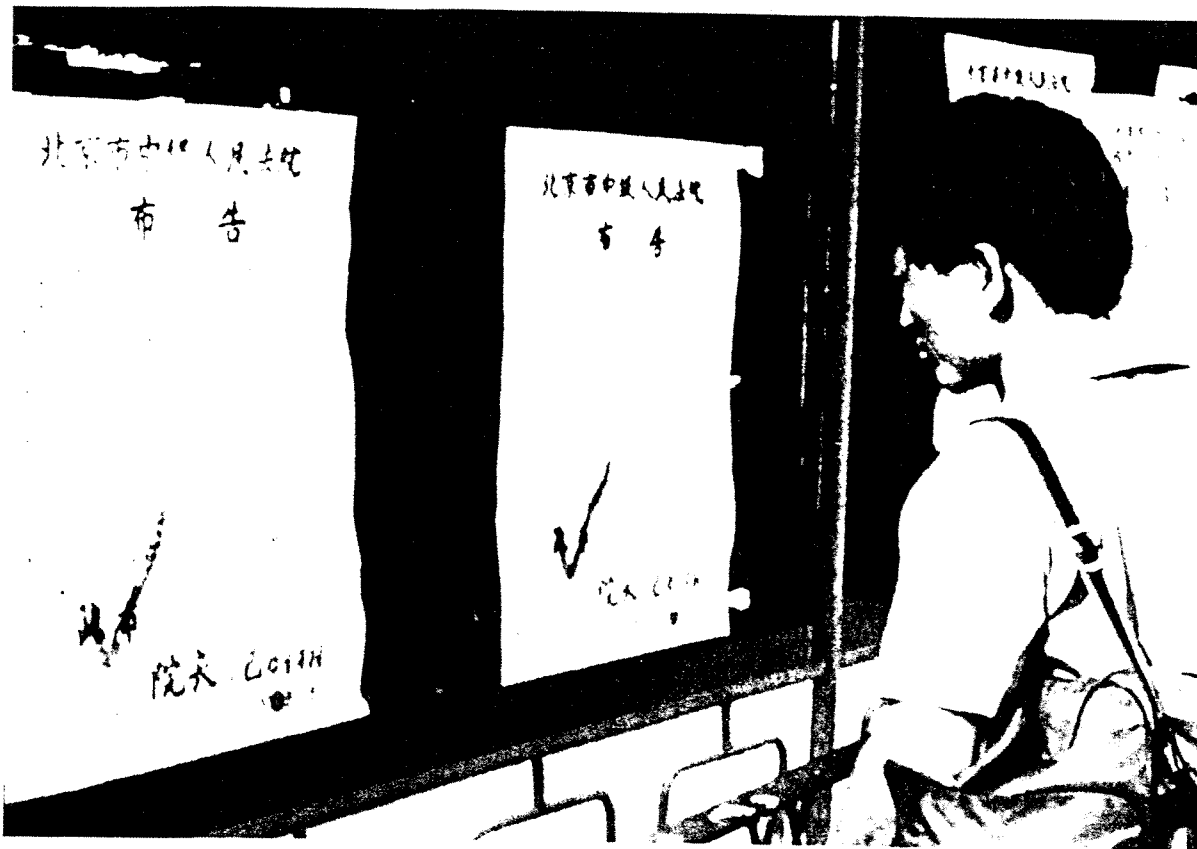
The repression of the workers and students protest in China is presented by the media and the U.S. government as one more example of the pitfalls of realized socialism as well as an unambiguous sign of the commitment by the Chinese proletariat to a free-market economy. Thus, we are told that the students and workers on Tiananmen Square fought for Freedom and Democracy in addition to the acceleration of the processes that, over the last fifteen years, have put China on the road to a liberalized economy.

That this is the portrait of the events in China we are presented is no surprise. Both the Chinese and U.S. governments have much to gain by such a version. From the U.S. viewpoint, presenting the student-worker struggle as one exclusively aimed at political liberalization serves to hide the economic dimension of the protest. Reporters have not asked, e.g., the students about their living conditions or the demands of the Workers Autonomous Association, the new independent workers' union that held a tent in Tiananmen Square together with the students. It also serves to bolster the claim that what is at stake is a choice between freedom (i.e., capitalism) and totalitarianism and thus to bolster the useful aspects of cold-war ideology that are presently in danger of being once-and-for-all debunked by the Gorbachev love affair with the "free market" and the rush of Eastern Europe to liberalize and "westernize." The too rapid collapse of cold-war "tensions" worries the U.S. government because it risks undermining its right to maintain a nuclear arsenal in Europe, which—as Kissinger recently reminded us—is a must for U.S. hegemony. (Hence, the current Kissinger-Bush policy efforts to simultaneously bolster the

Deng state in order to gain cheap labor while continuing to make of it an ideological "enemy.") From this point of view, to maintain the spectre of totalitarian, blood-thirsty communism is also a must, particularly when dealing with such weak-kneed allies as the Germans, who are now pushing for an immediate reduction of U.S. short-range missiles in Europe...while simultaneously, of course, making a profit from the "communist" workers of Eastern Europe.

As for the Chinese government, it is in their interest to present the worker-student movement as a foreign, "counter revolutionary" plot. First, as in other Third World countries, they know that appealing to anti-imperialist feelings is a good card. Second, they capitalize on the hostility that is growing in China against the economic liberalization process, even though they are committed to continue on the liberalization road—the more so now that the resistance to it has been, if not crushed, powerfully subdued.

Was the spring 1989 movement in China pro-capitalist, as the U.S. and Chinese media claim? Were the Chinese government's massacres, executions and incarceration of students and workers since June 4th a defense of socialism as both the U.S. and Chinese media claim? NO. This agreement between the U.S. and Chinese media is based on an elaborate lie, but the uncoverers of this lie are the very liars themselves, the media, especially the arch-liars, *The New York Times*, *The Wall Street Journal* and *The Economist*. Let us take, as our first example, the NYT of June 21, 1989 in an article entitled "Campaign to Lure Back Business." How little the crackdown on the students and the workers is the expression of a new commitment to



*A passerby reads an execution notice outside the Beijing People's High Court. The red check mark at the bottom indicates the person has been executed. Seven people were put to that day.*

“socialist goals” is indicated by the indefatigable efforts the communist leaders have made—as soon as the bloody streets of Beijing were washed—to lure back foreign investors, who we are told were prudently parked not too far away in Hong Kong. Their call was not unanswered, according to this piece. Indeed, investors are flocking back at such a pace that the Japanese government had to warn its businessmen to be a bit more discreet. As one midnight wag commented on this story, “Deng’s slogan used to be ‘Capitalism as a means, Communism as an end.’ Now it is, ‘Communism as a means, Capitalism as an end!’”

Here we have a contradiction between propaganda and knowledge characteristic of the U.S. media coverage of the spring 1989 events in China. The main point of this article is to demonstrate that even without “special” contacts on the scene in Beijing, one can read the media to know at least in outline the class relations and confrontations constituting major developments like those in China...and that this possibility is no accident. Our claim is in marked contrast to the most articulated leftist view concerning the U.S. media presented by Noam Chomsky and his co-workers. Chomsky argues that the media perform in a “democratic” society like the U.S. what state violence does for “totalitarian” states like the Soviet Union and China: it creates obedience and consent. He has done much to point out the “thought control” aspects of the U.S. media in numerous volumes, but he seems to forget that the media also necessarily function as an intra-capitalist communication channel. For there cannot be a large-scale capitalist world market without some widely disseminated knowledge, and one

can translate this knowledge into class terms. This side of the media is what this article will reveal in the case of China, in order to show that with a careful, selective, class-oriented analysis the lineaments of as complex a class struggle as the one unfolding in China 1989 can be deciphered.

For months prior to the student demonstrations, a debate had gone on in China that reflected the extent of workers’ dissatisfaction with the liberalization process and the dilemma facing the Chinese leadership, caught between the desire to further liberalize and the fear of social uprising. Under pressure by foreign investors who complained that “China is still paternal towards its companies” (i.e., its workers), throughout March the Chinese leaders debated the feasibility of new bankruptcy laws, whereby unprofitable companies would no longer be rescued but would be left to go bankrupt and therefore be forced to lay off their workers. That the bankruptcy issue had to do with workers’ discipline was clearly stated by a NYT article entitled “Socialism Grabs a Stick; Bankruptcy in China” (March 7, 1989). According to the article, “Chinese officials say the bankruptcy laws are important more for the message they send to the workers—that profitability matters, even in socialist society.” The article goes on to say that among the problems plaguing Chinese companies there is the fact that they “share an enormous burden of pension expenses, sometimes supporting four times as many retired workers as those on the job.” Moreover, experiments made in some towns with layoffs (for example, in Shenyang) have not produced “satisfactory results.” The companies had to pay collectively into a welfare fund to

provide insurance to the laid-off workers, thus eliminating the risks that bankruptcy was intended to create. "Indeed, workers have been allowed to collect substantial wage benefits even when they leave their jobs voluntarily." The article concludes that "while some economists think bankruptcy should become a more common sanction, they acknowledge that if the government did close down money losing companies it could face serious labor problems. A Western diplomat in China, who has followed the Shenyang experiments, noted that workers already disgruntled by inflation might cause serious labor disturbances if they lost their jobs."

The "labor problem" has been one of the most thorny issues for the Chinese government in recent years. Reports from China repeatedly pointed to a coming showdown with workers. An article entitled "Three Chinese Economists Urge an End to State Owned Industry" (January 10, 1989, NYT) stated that "companies try to maximize benefits to employees rather than profits and productivity." Right before the beginning of the demonstrations in Tiananmen Square, on April 6, 1989, the NYT ran an article entitled, "Second Thoughts; Laissez Faire or Plain Unfair." It stated, "Inflation and corruption, along with fear of unemployment and resentment of the newly wealthy, seem to be fostering a reassessment among Chinese farmers and workers about the benefits of sweeping economic change. Some Chinese officials and foreign diplomats are growing concerned that the Chinese people, instead of helping the market economy, will become an obstacle to it." The article mentions a factory that had been attacked by 60 "jealous" people, who smashed windows and cut the power supply. A hundred residents of the town the factory was in sued the factory owner to force him to share his profits.

This article emphasizes a new phrase, "the red eye disease," which is used by the Chinese government to describe and attack those who are jealous of the wealthy. It goes on to say that in Inner Mongolia the government has established a special team of bodyguards to protect entrepreneurs from neighbors with the "red eye disease." In the northern city of Shenyang, a seat of the new experiments in modernization and liberalization, a worker killed his boss last year. He was executed, but became a folk hero because the boss was regarded as a tyrant. Summing up, the article stated that the Chinese had previously regarded the market as a "cozy place of prosperity, not a source of pain...Everybody in China seems to be grumbling these days, and even the government acknowledges the depth of the discontent." It quoted a *People's Daily* forecast of not just economic but political crisis and supported this by noting that urban residents with a fixed income are being hurt by the 27% inflation rate. Many people are far from enthusiastic at the government's talk of "smashing the iron rice bowl" which is "the system of lifetime employment usually associated with laziness in the Chinese factories." Factory managers want the right to dismiss inefficient workers or lay them off when times are bad. Though the government is "gingerly moving in this direction, so far there have been no massive layoffs, even in Shenyang where the plan has gone the furthest. A Western diplomat worries that if liberalization of the workplace results in many layoffs there could be severe wildcat strikes and social unrest. 'Many people want to retain the "iron rice bowl",' an Asian diplomat said, 'it's a good system for those who do not

同謂之元元之又元眾妙之門  
 常有欲以觀其微此兩者同出而異名  
 民之饑以其上食稅之多是饑民之難治以其上之有為是以難治民之輕死以其上求生之厚  
 是以輕死夫唯無以生為者是賢於貴生  
 有名萬物之母故當  
 無欲以觀其妙  
 天地之間無名者非名且可貴真名非真可貴  
 同感

Beijing  
 Crackdown  
 Chinese Delegates  
 View of China  
 depict Zhao as  
 China Ventures to U.S.  
 Despite Woes at Home  
 Quietly in Shanghai  
 U.S. Official Urges 'Real World'  
 Making power  
 play

want to work too hard.”

The “iron rice bowl” is not the only guarantee the workers are slated to lose. Housing is another. In a NYT article of March 1, 1989, “Chinese Face Epochal Wait for Housing,” we are told that Zhao Ziyang had decided to make housing reform “one of the mainstays of the national economy.” The article continues, “the decision to privatize home ownership was not taken lightly, for it challenges the underpinning of society as it has been interpreted here. For the last forty years, virtually free housing supplied by one’s ‘workers unit’, or employer, has been as much of a staple of urban Chinese life as rice or noodles. Housing used to be a kind of welfare system, says a company head, ‘We used to rent out very cheaply, but there was a terrible shortage. Now we’re encouraging workers to buy houses.’” Concluding, the article noted that “The consensus is growing that rents are too low. Rents for a family of four averages the equivalent of sixty cents a month.” Now, with the reform, houses being put on the market cost anywhere from \$13,000 to \$41,000, “a momentous sum in a country where the monthly wage averages \$25 a month.”

All the above goes a long way to explain the general silence by both the Chinese and U.S. media about the “new union movement” which was present in Tiananmen Square with the students. It also explains why though the demonstrations were largely pictured as student dominated, the wrath of the Communist government has been directed primarily against the workers. The bulk of those executed for “crimes” committed during the Spring events were young workers and unemployed men. But labor troubles were only one part of the problem faced in convincing the Chinese masses about the virtues of *laissez faire*. One of the most deep-seated causes of the present rebellion is the processes that have taken place in the rural areas, following the privatization of land tenure and the commercialization of agriculture. First, a few media-communicated facts as reported by the *Journal of Commerce* (December 8, 1988): “China has already surpassed Australia as an exporter of agricultural products to the East Asia area.” The article said that China is making efforts to join GATT (General Agreement on Tariffs and Trade), a move which “could have the effect of liberalizing the degree of Chinese state control of foreign trade and encourage the relaxation of the goals of self-sufficiency.”

This great expansion in exporting capacity comes as a result of a decade-long process of privatization and commercialization of agriculture, which has had profound structural effects on living conditions in the rural and urban areas. Among the main consequences is the fact that people are being thrown off the land. China is experiencing, possibly on a scale unmatched by any other country, a massive enclosure process. Says *The Economist* (February 18, 1989):

“Now that the prices of so many farming inputs, such as fertilizer and pesticides, are no longer fixed, farmers are facing steeply rising costs. And people are being squeezed off the land, as inheritance practices split family plots into units too small to farm....No wonder, then, that a surplus population of one hundred million unemployed or underemployed peasants should be tempted by the cities, where construction, commerce and the civil service are growing faster than industry. It is thought that the surplus of one hundred will grow to two hundred million by the end of the century. Meanwhile, the government reckons that

China has a floating population of fifty million transients, uprooted peasants who drift in and out of cities without any legal right to be there. It is guessed that on an average day in Shanghai in 1987 there were 1.3 million such people, in Canton one million and in Beijing 1.1 million, half of whom stayed in the capital for at least three months. Even the city officials concede that the transients have their good points, filling casual jobs that might otherwise go begging. But the transients are said to be responsible for a third of urban crime and they help eat up subsidies for food that is meant for permanent residents: 400,000 kilos of vegetables and 130,000 kilos of meat a day in Canton."

The problem is, of course, "the strain on services." Some Chinese economists believe that the only solution is to phase out subsidies and have a "pay as you go" system of services based on the "law of value." *The Economist* continues, "Give those free reign, though, and the likely short-term result is greater income inequalities, higher inflation and urban unrest."

A further consequence of the commercialization of agriculture has been rising prices, such that for the first time since "the Great Leap Forward" Chinese face starvation. In an October 28, 1988, NYT article, it was announced that up to twenty million Chinese are now facing starvation. In May of 1988, indeed, the government lifted the controls from many agricultural prices and "permitted the market to determine the cost of many goods and services." As a result, prices surged dramatically over the summer of 1988 and there was panic buying. Inflation was as high as 50% in some cities. When the government announced that it would soon lift all price controls, many people assaulted the shops. The consequences of the high and continuously rising inflation on living conditions are indicated in several articles, e.g., "Why There Still is Promise in China" (Fortune, Feb. 27, 1989) and "China's Restructuring is Enriching the Peasants but not City Dwellers" (WSJ, Oct. 10, 1988). The latter stated that the standard of living declined 21% in 1987 for city wage earners, causing panic buying, bank runs and even strikes in some state factories. There was rising anger among urban residents against the government. All this indicates that the protests of Spring 1989 were the latest, most explosive expression of a long process of resistance against laissez-faire economics and in this respect is continuous with the other uprisings against IMF "structural adjustment programs" occurring across the Third World. For example, in Venezuela, Argentina, Burma and Nigeria, there were riots and mass demonstrations against price hikes, removal of subsidies and liberalization of the economy in the spring of 1989.

That it was the students who took the initiative is not surprising. There is evidence that students also suffered from the inflationary spiral of the last years. There are veiled references in the media to governmental promises to raise the budget for education. Given the world-wide experience with laissez-faire and liberalization, one can easily imagine the cuts in subsidies and how they have affected the students. It is interesting to note that a May 25, 1989 NYT article, "Aspiring Party Leaders at the Forefront of Revolt," reported that the leaders of the revolt were not the students of the University of Beijing but the more proletarian, less westernized students of the People's University, who were more likely to feel the cuts in subsidies. Another reference to the hardships students faced is also in a

May 25, 1989 NYT article, "Canton's Prosperous Students March," where a Cantonese student says that, unlike in Beijing, in Canton students can always find ways of moonlighting to make ends meet. "People can always find an extra job in a hotel or driving a taxi."

Undoubtedly there are among the students some who correspond to the dominant media image: pro-western, anti-communist intellectuals who, of course, suffer most from restrictions on freedom of expression. But, by and large, the media also shows that the student movement in China moves along the same lines as student movements in other parts of the Third World, beginning with the student movements immediately adjacent to China, those of South Korea and Burma.

For example, the Burmese students have used their social position and organizational possibilities to lay the basis of a mass protest against the government and its corruption. For more than a year, they protested alongside workers and the unemployed in the face of massacres and torture. Similarly, the most reverberating demand of the Chinese students has been that voiced by those with the "red eye disease," "End Corruption!" which largely refers to the capitalization of the Chinese Communist Party, i.e., the turning of Communist Party officials into capitalists. This aspect of the protests was played out symbolically as noted by the NYT May 25, 1989 article, "Chinese Take Umbrage at Attack on Mao's Portrait," which mentions that "lately some workers and students have taken to wearing Mao buttons and pins, apparently to suggest their longing for the Maoist days of egalitarianism, honesty and selflessness."

Finally, let us consider two NYT articles that appeared two days after the Beijing massacres, when the question of civil war was being mooted: "Civil War for Army" and "An Army With its own Grievances" (June 6, 1989). The first reported that "all of China's senior officials have had extensive contacts with the American military and have attended courses at American military schools." It continued, "Emerging Chinese military thinking is based on the American model and China's modernization program is largely dependent upon American technology and equipment." Meanwhile, there is discontent among the rank and file. The second article pointed out that the Chinese Army has been ordered to become self-supporting. As a consequence, some units have used their trucks to start transport companies, their repair depots serve as commercial garages and their hospitals admit private paying patients. The article drily reported, "Sometimes ill soldiers have been turned away to cater to patients who can pay...This has created wide-spread demoralization."

Putting together the articles from media available on any well-stocked newsstand in the U.S. makes it possible for the reader to see that the student-worker movement in China is not the last episode of a dying socialism but the first manifestation of the post-socialist anti-capitalist struggle in China. The student protest at Tiananmen Square opened the space for the workers and government to take up their much anticipated confrontation. The U.S. found the repression a welcome and "inevitable" result, for as the media had been commenting in the months prior to the crackdown, the question was not whether the anti-capitalist proletarian demands were to be rejected, the question was how.