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By George Friedman

A Startling Speech in China

A prominent Chinese economist has publicly challenged a core concept in China's policy.

The idea that China's economic surge was due to conditions unique to the country has long been a core concept of Chinese ideology and policy. But in a speech published last week on Peking University's website, prominent Chinese economist Zhang Weiying argued that China's growth was not the result of a special "Chinese model" of development. In fact, he asserted that there is no such thing as a Chinese model and that the concept itself widens the divide between China and the West and generates hostility toward Beijing.

In the past 40 years, China's economy has certainly grown dramatically, and there are three possible explanations for its rise. The first is that it was simply the result of removing impediments to growth, such as Maoism, war and imperialism. The second explanation is that China developed economically for the same reason that other nations like the United States and Japan did: It adopted sufficient elements of a free market system. The third explanation is that China grew because of a singular model dubbed "socialism with Chinese characteristics." This has been the main explanation backed by the Chinese government since the reforms of the 1970s.

Each of these explanations elicits a different response. If China's growth was simply the result of removing barriers to development, then there's

little the government can do now to keep up the impossibly high growth rates. It simply exceeded its own potential and will now return to a steady equilibrium through declining growth rates. That means the credibility of post-Mao China is at risk.

If China's surge was the result of liberalization, then more liberalization should bring back the country's rapid growth. But at a time when the Chinese government is beleaguered with problems, it needs short-term solutions to contain the grumbling, and economic liberalization can be accomplished only over the long haul. The first two explanations are untenable from the Chinese government's point of view. While one limits China's horizons, the other might unleash forces the government can't control, and neither addresses the politics of disappointment.

The third explanation is the best approach from Beijing's perspective. It dictates that this period of slowing growth is merely a brief lull in China's inevitable rise. The problem is that the unique virtues this view espouses haven't been visible for a while (perhaps because of [the 2008 financial crisis](#) and the resulting global decline in demand for exports). Asserting China's uniqueness raises the question of why the Chinese economy has not continued to surge. The government has, therefore, de-emphasized the Chinese model. And with this has come the spread of suspicion in China that the 40-year surge was not the result of any particular Chinese virtues and that people should temper their expectations for continued economic growth. This leads to a general recalibration of personal hopes and fears, one with implications for the government.

The big question is why Zhang was permitted to deliver a speech that rejected the idea of a Chinese model and implicitly supported radical economic liberalization. Last week, the head of Peking University, where Zhang gave the speech and where he is also a professor, was removed. It's unclear whether there was a connection, but perhaps this is a sign of the beginning of a change of course in China.

A perhaps more reasonable explanation is that Chinese President Xi Jinping will be meeting with U.S. President Donald Trump at the

upcoming G-20 meeting in Argentina. The Chinese may read [U.S. tariffs](#) as the result of fears over their claims to having a unique model of economic development, including a secret ingredient that makes China unbeatable. From the Chinese point of view, allowing a prominent academic to trash the idea that [Xi is trying to make China great again](#) might comfort Trump and lead to some accommodation.

The alternative explanation is that China respects academic freedom, and that means allowing a university professor to attack a core Chinese concept, despite the government's own objections to his critique. Whatever the reason, a report on the speech appeared in the South China Morning Post, a respected and well-connected publication based in Hong Kong, so Beijing couldn't have tried too hard to suppress it.

Given China's economic problems, [which the tariffs have only exacerbated](#), the answer to the questions of why Zhang gave the speech and why he hasn't been punished for it is extremely important. It may be just a gesture for the United States, but it is a gesture that will also be felt in China. At this point, I don't know what it means, but I do know that it means something.

