

The Missing Link to the Predicted Collapse of the PRC Regime

The rise of China in the recent two decades has triggered successive rounds of debates in various parts of the world about its implications for international politics and economics. Yet such debates, whether in the fields of academia or mass culture alike, largely center around the issue of the opportunities versus threats generated by China's ascendancy. This "rising China" phenomenon is a common presumption found in the competing views on the issue. Hardly has there emerged any detailed analysis to challenge the truthfulness of this presumption in the first place by questioning whether China will keep thriving. As such, the overwhelming preoccupation with the evaluative rather than the cognitive dimension stands in the way of a full comprehension of the issue. Gordon G. Chang's book would conceivably offset such an imbalance, thereby warranting a fundamental redefinition of the issue at the policy level.

In making this contribution, this book offers vital insights into the fragility—the full extent to which is often underestimated—of China's current political, economic, and social order. Yet these insights make up only half of the core argument in the book. The other half—and undeniably the more intriguing and provocative part—is the predictive assertion that such fragility will soon exacerbate to the point of the collapse of China. According to the author's elaboration made after this book's publication, China's collapse refers to a sequence beginning with the breakdown of

China's economic order, and ending with the downfall of the current regime under the Chinese Communist Party. Nevertheless, while the author dissects carefully the structural factors leading to China's internal instability, he deals in a far less systematic way with the question of through which path any such society-wide collective action would force regime change-over. A full process-oriented scrutiny is, first of all, essential in any convincing prediction of revolutionary political change. Second, a focus on process also speaks directly to a central puzzle about China's structural weaknesses and the regime changeover. Many of the maladies identified in the book—such as China's faltering state-owned enterprises (SOEs), spiraling urban and rural unemployment, the wobbly financial system, the decay of communist revolutionary ideology, and growing religious and ethnic dissension with the central state—have long plagued China in the reform era. Why have these issues not caused any major crisis (especially one verging on the collapse of the party) in the past, yet supposedly are guaranteed to do so in the near future?

Of course, China's accession to the WTO may prove to be the straw that broke the camel's back. Yet, a synthesis of the author's scattered discussions of the WTO's impact reveals his belief that China's membership in the Organization will accelerate the collapse of the CCP chiefly by worsening preexisting problems rather than by creating significant new ones. Thus the likelihood for any fatal collective action to occur comes to hinge on the magnitude and intensity of those aggravations. In light of this, a crucial analytic consideration is missing from the author's picture: *even in case of immense aggravations, we must always measure the relative political weights between those in the society who benefit vs. those who suffer from the current institutions.*

To illustrate with the example of the SOEs, the author holds that there are at least three causal mechanisms by which the predicaments of China's SOEs will contribute to the collapse of the regime: (1) the precipitous increase in unemployment of SOE workers due to heightened post-WTO competition; (2) the stifling financial burden from subsidizing the SOEs that would eventually result in the breakdown of the state bank system; and (3) a shakeout in China's stock market due to a plethora of illicit

manipulations that involve many corporatized SOEs and dissociate prices from actual asset values.

Among these scenarios, dislocated labor may most likely topple the system, since these "have-nots" have little to lose—they cannot maintain subsistence due to unemployment nor do they enjoy a social security net. Nevertheless, this destabilizing effect is likely to be confined to those areas with a high concentration of SOEs stumbling under foreign competition. Furthermore, the recent labor unrest in Liaoning Province (遼寧省) shows that most unemployed SOE workers are far from ready to take the maximum risk to fight against the political establishment to the very end.

In contrast, the last two scenarios, once they come true, are likely to impact the urban population. Yet citizens victimized under such circumstances face the ultimate choice between preserving the current system which might somehow redress their losses afterwards, or overthrowing it if the regime changeover is regarded as a worthy solution that would assuredly bring about a better future. More importantly, these urban dwellers must take into account whether viable alternative governing institutions and actors are ready to take over. Note that this conscious choice is inevitable at the individual level after all the initial panicking and turbulence accompanying the last two scenarios recedes over time.

For those observers familiar with the political culture and attitudes toward life and their surroundings exhibited by the average Chinese, it appears quite tempting to aver that Chinese are more prone to opting for the first choice. There is, however, a key paradox we must bear in mind: although there is now a pervasive grievance in China toward the party-state, there is also the wide belief that the current system has made most people better off than in the past and will continue to do so in the future. The repugnance of any systemic chaos embodied in the catchy phrase of "stability overrides everything else" (穩定壓倒一切 *wending yadao yiqie*) is by no means government propaganda only. This slogan also reflects a collective conservatism toward drastic systemic change. After all, despite the myriad dissatisfaction with the system held by the majority in society, these discontents are the very group that has developed a vested interest in the stability of the system—a durability necessary to sustain the economic

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reforms from which these people benefit in absolute terms.

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