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Commentary

## Market Reforms Breed Discontent

*China: The 1989 protests were just a sign of deep-rooted rural problems, which have worsened and could destabilize the na*

June 03, 1999 | JOSHUA MULDAVIN | Joshua Muldavin is a professor of geography and chairman of UCLA's Department of International Dev Studies. He has worked and lived in China half-time over the past 17 years, and marched in Beijing during the spring of 1989. E-mail: muldavin@

On June 4, 1989, the Chinese government brutally ended months of protests by students, workers, civil servants and their supporters. What has known in the West as the Tiananmen Square massacre lives on as one of the most dramatic events of the late 20th century. Most analysts have c the demonstrations as a "pro-democracy" movement. But in reality they were a sign of deep-rooted discontent fueled by the effects of market-b implemented in post-Mao China. It is time to reassess this movement for it has important implications for U.S. policy.

Paradoxically, it is the very success of China's market reforms since 1978 that were at the root of Tiananmen, but not in the way commonly und U.S. policymakers. The dominant view in Washington is that free markets simultaneously raise peoples' consumption expectations and their de Western-style democracy.

Such an analysis, however, is not borne out by China's experience. Post-Maoist China undoubtedly has experienced impressive economic growt two decades, and has created a new class of multimillionaires. But it also created massive socioeconomic and environmental problems, most not rural areas that serve as the home of approximately 800 million people.

Over the last 20 years, the Chinese state has decollectivized much of the agricultural sector and dismantled many aspects of the social safety net after the Chinese revolution in 1949. As a result, a new underclass of destitute and impoverished rural and urban peoples has arisen. Vulnerabili and disease is now common. Unemployment is massive. The rural poor clog the major cities in search of work in the informal economy--a secto to support 2 million such "illegal immigrants" in Beijing alone, part of the 130 million peasant workers wandering China in search of income opp

The demise of collectivist structures and the resulting deterioration in infrastructure in the countryside and the accompanying rush to achieve economic growth, have had profound environmental costs. Air and water pollution, deforestation, desertification, soil erosion and other long-te problems have greatly intensified. In addition to causing significant declines in crop yields, these problems have increased the number of "natu such as the devastating floods of 1998.

Rather than addressing the structural roots of such problems, the Chinese government scapegoats their manifestations, blaming social ills on un urban workers, destitute peasants and others who have failed to experience the promised benefits of market reforms. And when not blaming the marginalized sectors of its citizenry, China's leaders point their fingers at the "bad" influences of the West and of foreigners, in general.

Beijing knows well that the problems that lie at the root of the mass demonstrations in 1989 have only worsened. Across rural China, there have thousands of battles with authorities, and violent clashes between peasants and the police, army and other enforcement agencies over the last se In the face of growing corruption and nepotism, and intensifying socioeconomic and environmental instability, such anti-government violence expand.

China's problems have only mounted in the context of the Asian financial crisis. As China tries to fight its way out of its economic downswing th its trade surplus with the United States threatens to surpass that of Japan. This has led to growing calls for protectionist measures against Chine: the U.S. Meanwhile, the Clinton administration is pushing China's entrance into the World Trade Organization on terms that would seriously ha peasant majority and add to instability in rural areas.

The interests of the United States do not lie in an increasingly unstable China. Pushing China's 800 million peasants into a global market econon competitive price swings will only exacerbate rural China's myriad problems, leading to rising rural discontent at a time of increasing urban une

Understanding the effects of China's market reforms on the country's rural majority is an important first step to devising alternative developme that affect the lives of one in eight of the world's people. By doing so, the West is better positioned to implement policies that prevent Tiananme tragedies and to help China play its increasingly important role on the global stage in a manner consistent with international human rights standi