Sixty years ago Mao Zedong stood before a sea of people atop Tiananmen Gate proclaiming, in his high-pitched Hunan dialect, the founding of the People's Republic of China and that the "Chinese people have stood up!" The moment was marked with pride and hope. The communists' victory had vanquished the Nationalist regime, withstood the vicious onslaught of the Japanese invasion and overturned the century of foreign encroachment on China's territory. Moreover, Mao and the Chinese Communist Party (CCP) came to power without significant external support — theirs was largely a homegrown revolution. (See pictures of the making of modern China.)

Mao brought a vision for China that has resonated from the 19th century Qing dynasty reformers to this day: to regain China's *fu qiang* (wealth and power), dignity, international respect and territorial integrity. In this regard, Mao and the CCP positioned themselves squarely with a deep yearning among Chinese — thus earning their loyalty and the party's legitimacy. His successors have not wavered from this singular vision and mission. (Read "Where China Goes Next.")

Tragically, Mao's belief in restoring China's greatness and achieving modernity was inextricably intertwined with his ideological desire to transform China into a socialist and revolutionary society. Mao's social engineering continually convulsed China in unrelenting political campaigns. These movements disrupted productivity and caused horrific loss of life. Yet, despite the chaos, the People's Republic embarked on industrialization and stood up. By many measures, 60 years on, China has achieved significant progress toward becoming a major and global power. Mao may recognize it, but he would not be wholly happy with it.

As the People's Republic of China commemorates its 60th anniversary, it seemingly has much to celebrate. China is the world's most populous and industrious nation, is the world's third largest economy and trading nation, has become a global innovator in science and technology, and is building a world-class university system. It has an increasingly modern military and commands diplomatic respect. It is at peace with its neighbors and all major powers. Its hybrid model of quasi-state capitalism and semidemocratic authoritarianism — sometimes dubbed the "Beijing Consensus" — has attracted attention across the developing world.
This growing soft power of China was strengthened by the 2008 Olympics extravaganza, and the Shanghai Expo next year will similarly dazzle. The 60th anniversary celebration in Beijing on Oct. 1 will impress, if not frighten, the world with an arresting display of military hardware and goose-stepping soldiers. Less visible is the fact that China is the first major economy to recover from the global recession and, indeed, is leading the world out of it. (Read "Mission Accomplished. Now What?")

China is on a roll, particularly when viewed over time. Visiting or living in China every year over the past three decades, I have had the personal opportunity to witness dramatic transformations. When I first went to China in 1979, vestiges of the Cultural Revolution were still evident: revolutionary slogans painted on walls and pockmarks on university buildings from bullets and howitzer shells shot by dueling Red Guards. Camouflaged, but just as evident, were the personal scars borne by intellectuals and officials whom I met at the time. I heard stories of beatings and humiliations, confiscations of personal possessions and loss of living quarters, and forced hard labor.

I then witnessed the dramatic blossoming of personal freedoms and economic growth in the 1980s, punctuated by periodic countercampaigns launched by neo-Maoists in the leadership. One could literally feel and see Chinese society come alive after its long Maoist trauma, only to have people quickly recoil when the conservatives in the leadership reasserted themselves. This seesaw pattern persisted throughout the decade, culminating in the dramatic Tiananmen demonstrations and their suppression in June 1989.

In the early 1990s, I again experienced China as a society traumatized, this time by the aftermath of Tiananmen. But by mid-decade Deng Xiaoping had reignited domestic economic reforms and China had normalized its place in the world after its post-Tiananmen isolation. Politics, however, remained frozen and the heavy hand of the state remained evident. Only during the present decade, in the waning years of Jiang Zemin's rule and under Hu Jintao, has the Communist Party begun to experiment with very limited political reforms. My discussions with those party officials involved with crafting the "democratic" reforms makes clear that there are strict boundaries to how far they will proceed.

Thus, when considering the totality of six decades, the record of the PRC is decidedly mixed. While its achievements have been momentous, so are the contrasts and contradictions exposed by those very same achievements. In many sectors, each reform breeds new problems and challenges. China has come a long way, but it still has a long way to go.
The Cost of Wealth

The question for China’s leaders was never whether to modernize — but how. During the Maoist era a variety of economic models were experimented with, each of which achieving some modicum of growth. Yet all of them left China lagging far behind the West and East Asia. The costs of some initiatives, like the Great Leap Forward from 1958 to 1960, were catastrophic in human and environmental terms. It was not until Deng and Chen Yun, another reform-minded Politburo member, returned to power in 1978 from internal exile that the economic course was changed. (See pictures of a new look at old Shanghai.)

Three decades later, the world witnesses the extraordinary results. China is now the world’s third largest economy, after the U.S. and Japan, and recently surpassed Germany as the largest exporting nation. Its GNP is on course to overtake Japan’s by 2010 and perhaps that of the U.S. by 2020. (Read "Why the China-U.S. Trade Dispute Is Heating Up.")

Much of this dynamic growth has been export-driven, benefiting the low- and medium-technology sectors of the economy. But China is beginning to move up the technological ladder and is becoming more innovative in certain sectors such as electronics and biotechnology. The country has become a manufacturing superpower and the workshop of the world, producing two-thirds of all photocopiers, microwaves and shoes; 60% of cell phones; 55% of DVDs; over half of all digital cameras; 30% of personal computers; and 75% of children's toys, plus a wide variety of other goods.

As a result of its economic boom, China has amassed a staggering $2 trillion in foreign exchange — the largest reserves in the world — and is beginning to invest significant amounts abroad. Today, 37 Chinese multinational corporations rank among FORTUNE’s top 500 global companies, up from just six a decade ago, while 450 out of the FORTUNE 500 American companies have production lines and a business presence in China. China has become the world’s largest recipient of foreign direct investment. To fuel its economic boom, China’s voracious and insatiable appetite for raw materials has led it to absorb large amounts of global commodities. China now consumes 16% of global energy resources and is the world’s third largest consumer of oil. (Read "Can China Save the World’s Economy?")

But the economic explosion has come at a high environmental cost. China’s air and water are among the most polluted on earth and it is the leading emitter of greenhouse gases. The
environmental nightmare is hurting public health. Malignant cancer now accounts for 28.5% of deaths while respiratory diseases account for 13.1%, according to the 2008 *China Statistical Yearbook*. China’s growth has been dynamic, but it is also double-edged.

**Reinventing a Nation**

Mao spent his lifetime trying to transform Chinese society in his utopian, socialist and revolutionary vision. He tried to create a "new socialist man" and an equitable society. His regime succeeded in providing the world’s largest population with food to eat, housing and basic services. Social vices were eliminated, literacy was expanded, life expectancy increased and infant mortality decreased. These were no small achievements. But Mao's efforts to impose socialism had a deadening effect on urban and rural society alike, as political movements repeatedly harassed different groups of people.

By the time Deng and his compatriots came to power in 1978, China was traumatized, tired and alienated by 30 years of Maoist experiments and totalitarian controls. Deng’s wisdom was to recognize that the state needed to retreat from society and the economy if the creative and entrepreneurial spirits of ordinary Chinese were to be unleashed.

Three decades later, Chinese society has fully blossomed. Chinese today experience a wide variety of personal freedoms in daily life that they and their ancestors had never known. Chinese state and society have also reconnected with the past, emphasizing Confucian and Buddhist values. More than 200 million people have been lifted out of poverty and the members of a growing middle class with disposable income travel abroad, invest in the stock market, dine out and decorate their stylish apartments with furniture purchased from stores like Ikea. Access to education has become far more widespread. Some 21 million students attend university today, while an estimated 300,000 study abroad every year.

Approximately 206 million Chinese children attend primary and secondary schools. Basic literacy is almost universal in China today, while it was roughly 20% in 1949. Still, China remains a poor country by global standards: some 207 million people still live below World Bank poverty levels on less than $1.25 per day.

See pictures of China's infrastructure boom.

With economic growth have come demographic shifts and life improvements. Life expectancy has shot up while infant mortality has plummeted. In 1949 more than 90% of the population lived in rural areas; given the expansion of urban areas, slightly more than
half (721 million) do today, according to official statistics. But China's increasing urbanization and spreading industrialization have resulted in a considerable loss of arable land and forcible evictions, sparking much resentment against local officials.

Chinese intellectual life has also improved, although over time this remains one of the real dark spots of Chinese communist rule. For six decades intellectuals have been persecuted, harassed and forced to conform and create within various boundaries set by the state. They continually probe the boundaries — until the state pushes back. Despite continuing controls, public and private discourse in China has never been so free. The blogosphere and Internet are alive with unbridled discussion — unless and until it crosses the state censor's invisible hand. (Read "Avoiding Censors, Chinese Authors Go Online.")

While China has made much progress, it still has many blemishes. Treatment of ethnic minorities — particularly Tibetans and Uighurs — is the Achilles' heel of the regime, as violent riots last year and in recent months have clearly demonstrated. Crime and corruption remain serious problems, while cities struggle to provide basic services to the huge "floating population" of 100 million or so migrants. Income disparities (as measured by the Gini coefficient) are now approaching the highest in the world. China has again become a stratified society — just what Mao sought to eliminate. Still, given the unprecedented scale and nature of China's socioeconomic change over the past 30 years, the country's relative stability is commendable.

Politics Not as Usual

At first glance, China's political system has not changed much since 1949. It is still a Leninist system, dominated by the CCP and an oligarchy of its self-selected leaders, which tolerates no opposition. The Party's powerful Organization Department oversees all major appointments in the country, and one must really be a party member to get ahead professionally. Party and government organs remain essentially as they were six decades ago, copied from the Soviet Union.

But while much of the structure and essential nature of the system remains largely the same, the substance and process of politics has changed quite a lot. The leadership and the 76 million party members are better educated and their recruitment and promotion is much more meritocratic. Competence is now rewarded. In the past, there existed only two exit paths from officialdom: purges and death. Now mandatory retirement is firmly implemented. Instead of being a totalitarian party dominated by a single leader, the CCP
today is an authoritarian party with a collective leadership. The leaders themselves — at least those I have witnessed — are now remarkably self-assured and relatively sophisticated. Marxist-Leninist ideology plays little, if any, role in their decision-making. The policy process is more consultative, although still lacking in transparency. Much emphasis is put on governance and officials at all levels undergo required training in public administration.

On the whole, the Communist Party has proven itself to be remarkably adaptable and open to borrowing elements from different countries and political systems. As a result it is becoming a hybrid party with elements of East Asian neo-authoritarianism, Latin American corporatism and European social democracy all grafted to Confucianist-Leninist roots. The uprising in Tiananmen and across China in 1989 and the subsequent collapse of communist systems in Europe and the Soviet Union were instructive experiences for the CCP. Many lessons were drawn, but the principal one was to remain flexible and adaptable, not dogmatic and rigid. (Read "Beijing Clamps Down After Call for Democracy.")

Will the Party's adaptability and the nation's continuing economic growth be sufficient to sustain it in power indefinitely? Perhaps. The CCP's sustenance to date has certainly surprised many leading China watchers. But, going forward, the major challenge to the Party will likely be its ability to deliver adequate "public goods" to the population: health care, education, environmental protection and other social services. Providing stability and ever increasing personal wealth will not be enough to guarantee the Party indefinite legitimacy — it must continuously improve the quality of life of its citizens. This is China's new revolution: the revolution of rising expectations.

**Taking On the World**

Any consideration of China's transformation since 1949 must recognize the dramatic improvement in China's global posture. Sixty years ago the new People's Republic was cut off from the world, having diplomatic recognition only from a relatively small number of nations. It was excluded from the U.N. It soon became embroiled in the Korean War and the Cold War, which brought further isolation. Despite some marginal trade with Western Europe following the 1954 Geneva Conference on Indochina, China was cut off from international trade, finance and aid. As a result, its economy stagnated.

See pictures of "China Goes to Africa."
Six decades later, China has fully embraced globalization at home and has burst onto the world's stage in a largely positive fashion. It now has both interests and a presence in parts of the world completely new to China — such as Latin America and the Middle East — and enjoys rising international prestige. Beijing has generally managed its relations well with the major world powers: the U.S., Russia and the E.U. It has transformed its regional diplomacy in Asia, reasserted a role in Africa and become much more deeply engaged with international organizations and across a range of global-governance issues. China used to eschew multilateralism, distrusting it as some kind of (Western) conspiracy. While Beijing remains a selective multilateralist globally — engaging on some issues and not others — the broad trend has been positive and in the direction of deeper contributions to the world community.

China is also more proactive on global security issues ("hot spots" as Chinese analysts like to describe them). When natural disasters now strike, such as the South and Southeast Asian tsunami in 2004 and the Pakistan earthquake the following year, China is there to provide physical and financial assistance. China now has over 2,100 peacekeeping personnel deployed in about a dozen nations worldwide — more than any other member of the U.N. Security Council. This is one tangible expression of China's strong commitment to the U.N. Today, indeed, the PRC may be the greatest advocate of the U.N. among the major powers. (Read "China Takes on the World.")

In the field of arms control, China used to be a serious proliferator of missiles and missile components, and a significant seller of conventional arms. But, over time, China has signed or ratified the Nuclear Non-Proliferation Treaty, the Comprehensive Test Ban Treaty and the Biological and Conventional Weapons Convention, has joined the Nuclear Suppliers Group and has essentially adhered to the Missile Technology Control Regime (although it is not a member). This is not the China that the world used to know: a "revisionist" destabilizing power that sought to overturn the international order. Today, the People's Republic of China is deeply involved across the globe and is increasingly an upholder of, and contributor to, the existing international order. China has been a considerable beneficiary of the post–Cold War order, which has allowed Beijing to establish a presence in regions and international institutions that was not previously possible.

China's strategic posture is also changing. Its military modernization program has made giant strides in recent years — and they will be on display in the massive military parade in central Beijing on Oct. 1. In many categories China's military is the best in Asia and in some
sectors is approaching NATO standards. The People's Liberation Army still has no global strike capacity, however, other than its intercontinental ballistic missiles and cyberwarfare capabilities.

Still, many countries worry about China's rise and global expansion, even though it has, to date, been outwardly peaceful. Public opinion polls in Europe and the U.S. regularly reflect a negative image of China, while concerns over economic competition and job losses are growing in Europe, Africa and Latin America. Substantial strains remain in Beijing's ties with three of China's most important neighbors: Australia, India and Japan. Even relations with Russia, which have achieved historic highs since the collapse of the Soviet Union, have run into obstacles. This is unsurprising. As Beijing expands its influence and begins to flex its new muscle on the world stage, it's to be expected that China will engender occasional discord with other nations. (Read "The China-India Rivalry: Watching the Border.")

**Future Shock?**

Some historians of China think they see the telltale signs of dynastic decline: government corruption, social discontent (especially in the countryside), autocratic rulers and a militarizing state. Some contemporary China experts also voice their doubts — proclaiming the regime fragile and the political system ossified — while economists question how long the dynamic growth can continue.

While the system and country have weaknesses and challenges, the Sinological landscape is littered with its naysayers and critics. The People's Republic of China has endured for six decades and has overcome a wide variety of serious domestic crises, border wars and international isolation. Its strengths and adaptability have repeatedly been underestimated by outside observers. One thing is certain: China will remain a country of complexity and contradictions — which will keep China watchers and Chinese alike guessing about its future indefinitely.

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