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Aftermath: the fall of the Berlin Wall — and its lesson for China 30 years on

China's rulers have forged an economic powerhouse built on repression. Yet the events of 1989 show the one-party state is doomed to fail, writes Niall Ferguson

Niall Ferguson

Thirty years ago, I was in love — with Berlin. As an impoverished British graduate student paid in weedy pounds not mighty deutschmarks, I could live there more cheaply than in Hamburg or Munich, and so I spent the summer of 1989 in a friend's apartment in the Kurfürstenstrasse, dividing my time between the archives and journalism. West Berlin was not only inexpensive, it was fun. But the real attraction was the parallel world of “real existing socialism” next door, on the other side of the wall.

In those days, under the four-power agreement between the victors of the Second World War, a British citizen could travel pretty freely from the west of the city to the east and back, though you had to pay for the privilege. But when you boarded the S-Bahn train at Friedrichstrasse on the eastern side of the city to head back to West Berlin, you'd be the only person on the train. It was an eerie journey, riding in solitude past the bullet-riddled Reichstag building. I'd read enough John le Carré to get a cheap thrill every time I made that trip.

And then, in the summer of 1989, things changed. Suddenly I was no longer the only person on the train. In fact I was surrounded by Hungarians and Poles because their governments had, for the first time, given their people freedom to travel to the West. I got so excited about this that I wrote a story for one of the British papers, suggesting the headline: “The Berlin Wall is crumbling.”

If they'd published it, I'd have been one of the tiny number of commentators who correctly prophesied the collapse of communism. (The real Nostradamus was the American journalist James P O'Donnell, who published an article in the German magazine *Das Beste* in January 1979, correctly foreseeing the destruction of the wall 10 years later and even the sale of pieces of it as souvenirs.) But the deputy editor back in London said I'd listened to “one too many Ronald Reagan speeches”. My prophecy was spiked.

Worse, when the wall did crumble, on November 9, 1989, I was back in Britain, listening in agony as my old friend Matt Frei covered the story for BBC radio, live from the streets of Berlin. History had been made, and I'd not only missed predicting it. I'd missed witnessing it.

The sole consolation was that my side — the side of Margaret Thatcher, Ronald Reagan and Pope John Paul II — had won, and the joy of victory after victory as the dominoes fell soon overcame the fear of missing out.

In the words of Francis Fukuyama, who succeeded in publishing a prescient essay in the summer of 1989, “What is important . . . is that political liberalism has been following economic liberalism, more slowly than many had hoped but with seeming inevitability.” In backing

Thatcher and Reagan as an undergraduate, I had found myself part of a minority of punk Tories and young fogeys (among them one Boris Johnson).

We had argued that free markets and free citizens went hand in hand. We had cheered in 1987 when Reagan told his Russian counterpart, “Mr Gorbachev, tear down this wall.” And, just two years after that speech, we had been vindicated.

There’s an argument to be made now, of course, that we got 1989 childishly wrong. While we blithely celebrated the collapse of communism in central and eastern Europe, we wholly underestimated the significance of its survival in China. In our Eurocentric way, we paid more attention to events in Timisoara than to those in Tiananmen Square, where communism had shown its true, repressive face that June.

Now, 30 years on, the enlargement of the EU and Nato — even the collapse of the Soviet Union in 1991 — seem much less significant historically than China’s spectacular rise after 1989. Reminder: in 1989 China’s gross domestic product was 8.2% the size of America’s. Today, according to the IMF, it is two-thirds: 66.6%. Adjusted for the difference in purchasing power, China’s economy is actually larger than that of America and has been since 2014. The Soviet Union never achieved anything close to that. At its Cold War peak, in the mid-1970s, its economy was just 44% the size of America’s.

For years we told ourselves that China would eventually succumb to the West’s embrace. The internet, we dreamed, would do the trick. If China tried to regulate it, the effort would be like “nailing Jello to a wall”, in Bill Clinton’s famous phrase. That has proved very wrong.

We were wrong, too, if we thought that the liberated nations of central Europe would gratefully morph into West Europeans, dismissing from their memories the searing experiences of 40 years under communism, and becoming just like us. That hasn’t happened — not in Poland, despite its economic success in the past 30 years, and not in Hungary, which under Viktor Orban has become the populist bad boy of the European Union.

Friends with whom I once jubilantly celebrated the events of 1989 now express bitter disillusionment with developments in Warsaw and Budapest. Others ask me what has really been achieved when the most popular political parties in the former East German state of Thuringia, based on last weekend’s election, are the far-left Die Linke and the far-right Alternative für Deutschland (AfD).

Yet there is a need for some perspective. Central Europe is a vastly freer, richer and happier place than it was under the iron heels of the Russians and their puppets. It is also far less prone to political fragmentation and polarisation than it was in its last period of democratic government between the world wars.

More importantly, I simply disbelieve those who tell us today that China is in the process of reviving totalitarianism, not to mention the planned economy, with the help of big data, facial recognition technology and artificial intelligence. This surely is to misunderstand the seven key lessons of 1989.

1. The Soviet empire was unassailable as long as it was capable of growing. When stagnation set in — when productivity growth turned negative in the 1970s — the system began to rot. Between 1973 and 1990, per capita growth was negative. When China slows, as demographic and financial headwinds dictate that it must, there will also be popular disillusionment, just as there was in the old Eastern bloc.

2. Growth tends to create a middle class, and the middle class expects more than hollow slogans, even if it does not expect democracy. With a few proletarian exceptions — Lech Wałęsa is the most obvious — the dissidents who led what Timothy Garton Ash called “the Refolution”, a mix of reform and revolution, were bourgeois intellectuals: Vaclav Havel in Czechoslovakia, for example, or Bronislaw Geremek in Poland. Such people exist in China today — think of the artist Ai Weiwei — and their deep dissatisfaction with the one-party state is essentially the same as their central European precursors.

3. Corruption, inefficiency and environmental degradation are inherent features of a one-party state without the rule of law. In a fundamentally corrupt system without true accountability, even an anti-corruption campaign becomes corrupt. What the Harvard economist Andrei Shleifer called the “grabbing hand” will always grab. If the party is above the law, it will tend towards lawlessness.

4. **No amount of surveillance will preserve a state that loses legitimacy.** The Stasi didn’t need AI to know pretty much everything that was going on in the German Democratic Republic: they just relied on a vast network of part-time spies and snoopers known, with truly Orwellian euphemism, as “unofficial co-workers”. But knowing what people said in the supposed privacy of their own homes didn’t save that system. On the contrary.

5. In a surveillance state, everyone gets used to lying. But when everyone lies, you get disasters like Chernobyl, on April 26, 1986 — the death knell of the Soviet system — or the public relations fiasco that led to the fall of the Berlin Wall itself: a bungled press conference by the politburo member Günter Schabowski, who intimated semi-intelligibly that trips abroad would be “possible for every citizen”, starting “right away, immediately”.

A key point made in Mary Elise Sarotte’s brilliant book *The Collapse: The Accidental Opening of the Berlin Wall* is that lack of trust within the party elite and the security apparatus prevented an effective retraction of this fateful order and led a key Stasi officer, Harald Jäger, to throw open the crucial checkpoint rather than fire on the crowd that had formed as the news of Schabowski’s statement spread.

6. Soviet power fragmented on the periphery first. That is why Hong Kong, Xinjiang and Taiwan are the key areas to watch today, not Beijing. The Berlin Wall fell as part of a chain reaction that began in Poland in the summer of 1988 and spread to Hungary and on to Leipzig (the crucial location, which might have been the German Tiananmen Square) before it reached Berlin. And after Berlin it spread ever further: Sofia, Prague, Timisoara, Bucharest — then to Vilnius, where Lithuania’s independence was declared in March 1990, and finally to Moscow in 1991.

Some similar process, in the end, will bring down the Great Firewall of China.

7. But there is a final point to be made. Academic opinion (never much enamoured of Ronald Reagan) now holds that the Berlin Wall fell because of internal rather than external pressures. In the words of the East German dissident Marianne Birthler, “First we fought for our freedom and then, because of that, the wall fell.”

Such testimony has given rise to the view that Reagan’s 1987 speech was somehow irrelevant. I even got into an argument with an American editor about this recently. I had referred in a draft to “the American victory over the Soviet Union”. Editor: “This is a contentious point, as the implication is that America did win the Cold War. We should at least acknowledge that the notion of an American ‘victory’ is contested by historians and why.”

But this is revisionism ad absurdum. It implies that somehow the dissidents could have thrown off the Soviet yoke even if America had applied no pressure at all — even if Nato had done nothing in response to the deployment of SS-20 missiles in the late 1970s — even if Ronald Reagan’s 1987 speech had included the line, “Mr Gorbachev, leave this wall intact.”

The reality, however, is that during the Cold War, America and its allies did a succession of things that fundamentally helped the dissidents, as well as offering encouragement to those who lacked the courage actively to resist the communist regimes, but nevertheless despised them. These included: broadcasting through Radio Free Europe and Radio Liberty, beginning in the 1940s; getting the Soviets to subscribe to a list of human rights they flagrantly did not respect in the Helsinki Final Act of 1975; and offering Warsaw Pact citizens as many glimpses as possible of the better life that was on offer on the other side of the Iron Curtain. As Garton Ash has shown, by 1986 244,000 East Germans were visiting West Germany every year. They soon saw the difference between a Trabant and BMW.

In my book *Civilization* (2011), I made the argument that 1989 was about consumerism more than it was about conservatism, echoing Sir Tom Stoppard’s wonderful play *Rock’n’Roll*. Four years before the wall fell, the French leftist philosopher and former comrade-in-arms of Che Guevara, Régis Debray, remarked: “There is more power in rock music, videos, blue jeans, fast food, news networks and TV satellites than in the entire Red Army.”

He was right. When I had crossed from West Berlin to East Berlin before what Germans called *die Wende* — the “turning point” — the most striking difference had not been the lack of liberty (that took a little time to discern). It had been the lack of rock music, videos, blue jeans, fast food, news networks and TV satellites. When ordinary East Berliners first came through Checkpoint Charlie or crossed the Glienicke Bridge in 1989, they did not ask for copies of Hayek’s *The Constitution of Liberty*. They asked for Coca-Cola.

For the dissidents, this was the triumph of freedom. For their fellow East Germans, it was the triumph of free money, achieved when their savings were converted from East German Monopoly marks into West German deutschmarks on a one-for-one basis — not a trivial windfall. That the second-order effect would be to render the entire East German economy uncompetitive became clear only later, by which time the smarter “Ossis” had moved west.

We should not be surprised that, 30 years on, the death of central European communism has given rise to a few disappointments. It is much more surprising how few disasters there have been. Only one of the former workers’ paradises — Yugoslavia — descended into war and ethnic cleansing. No former members of the Warsaw Pact have ended up at war with each other. Though it has become fashionable to scoff at Francis Fukuyama’s *End of History*, in fact he has been more right than wrong. Today, truly unfree societies account for just 35% of the world’s population and 22% of global GDP. But of those proportions, most (respectively, 19% and 16%) is China.

Will the men in Beijing prove Fukuyama wrong in the end? The lesson of 1989 is surely not to bet on a regime that, at its core, is still based on Lenin’s and Stalin’s one-party state. True, 70 years after its foundation, the people’s republic is undoubtedly in better shape than the Soviet Union was 70 years after the Bolshevik revolution. Moreover, its leaders are firmly resolved not to repeat the mistakes of the Soviet Union; so there will be no *glasnost*, no political transparency, in China — not even in Hong Kong, and implicitly not in Taiwan either before too long.

Nevertheless, let me conclude with another prophecy (one that I hope will make it into print). These days I spend more time in Beijing than in Berlin and this is what I foresee. The social credit system, with its technology of 24/7 surveillance, will not prevent China from succumbing, over the next 10 or 20 years, to the combination of a slowing economy, a rising and expectant middle class, a chronically corrupt political system, a corrosive culture of dissembling, and a fragmentation that has already begun on the periphery.

The Great Firewall of China is crumbling. And, as with the Berlin Wall 30 years ago, pressure *from outside is going to accelerate the process.*

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